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**F. No. 07/02/2022 - DGTR**  
**Government of India**  
**Ministry of Commerce & Industry**  
**(Directorate General of Trade Remedies)**  
**4<sup>th</sup> Floor, Jeevan Tara Building, 5, Parliament Street, New Delhi – 110001**

Dated: 30 March, 2022

**INITIATION NOTIFICATION**

(Case No. AD (SSR) -02/2022)

**Subject: Sunset Review of anti-dumping duty imposed on imports of “New/unused pneumatic radial tyres with or without tubes and/or flap of rubber (including tubeless tyres) having nominal rim dia code above 16” used in buses and lorries/trucks”, originating in or exported from China PR-reg.**

F. No. 07/02/2022-DGTR- Having regards to 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" or the “Anti-Dumping Rules”), Automotive Tyre Manufacturer’s Association (hereinafter also referred to as the “applicant” or the “petitioner”, or “ATMA”) has filed a petition before the Designated Authority (hereinafter also referred to as the “Authority”) for sunset review of the anti-dumping duty imposed on the imports of “new/unused pneumatic radial tyres with or without tubes and/or flap of rubber (including tubeless tyres) having nominal rim dia code above 16” used in buses and lorries/trucks” (hereinafter referred to as the “subject goods” or the “product under consideration” or the “PUC”) originating in or exported from China PR, (hereinafter also referred to as the “subject country”).

2. In terms of Section 9A (5) of the Act, the anti-dumping duty imposed shall, unless revoked earlier, cease to have effect on expiry of five years from the date of such imposition and the Authority is required to review whether the expiry of duty is likely to lead to continuation or recurrence of dumping and injury. In accordance with the same, the Authority is required to review, on the basis of a duly substantiated request made by or on behalf of the domestic industry as to whether the expiry of duty is likely to lead to continuation or recurrence of dumping and injury.

**A. Background**

3. The Authority initiated the original anti-dumping investigation concerning the imports of the subject goods originating and exported from the subject country and recommended imposition of the anti-dumping duty on the imports of the subject goods originating in or exported from China PR vide its final finding notification no. 14/14/2015-DGAD dated the 1st August, 2017. On the basis of the recommendations made by the Authority in the final findings, the definitive anti-dumping duty was imposed by the Central Government vide notification no. 45/2017-Cus (ADD) dated 18th September, 2017. The said duty is going to expire on 17th September, 2022.
4. The applicant has provided the relevant information in the petition. The petition has been examined for sufficiency of the information and the evidence of the dumping and the consequent injury to justify initiation of the investigation.

**B. Product Under Consideration**

5. The product under consideration (PUC) in the application is “New/unused pneumatic radial tyres with or without tubes and/or flap of rubber (including tubeless tyres) having nominal rim dia code above 16” used in buses and lorries/trucks”.
6. The product under consideration is classified under Chapter 40. Tyres are classified under customs subheading no. 40112010 and tubes and flaps are classified under 40131020 and 40129049 respectively. However, the customs classification is indicative only and in no way binding on the scope of investigation.
7. The present petition being for sunset review investigation, as per the settled jurisprudence and the past practices of the Authority, the Product under Consideration remains the same as defined in the original final findings notification. The product under consideration is the same as defined in the original investigation, which was defined as follows in Para 8 of the original final findings notification:
  - i. *The product under consideration (PUC) in the present investigation is “New/Unused pneumatic radial tyres with or without tubes and/or flap of rubber (including tubeless tyres), having nominal rim dia code above 16” used in buses and lorries/trucks”. The scope of the product under consideration includes both tube type and tubeless. In tube type tyre, tyre is used along with one tube and one flap in a vehicle. One tyre, one tube and one flap are together sold as a "tyre set" and described as “TTF”. The term “TTF” is prevalent in the industry, to denote a "tyre set". Tyre, tube and flap jointly render the function of “tyre” in a vehicle. Sale of tyre, tube and flap are primarily on "TTF" or "tyre set" basis. Tubeless radial tyres, where tube and flap are not required, are also within the scope of this investigation.*
  - ii. *The scope of the imported product includes only Radial tyres used in buses and lorries / trucks... All other types of tyres are beyond the scope of the product under consideration in the present investigation.*
  - iii. *Subject goods are classified in Chapter 40. Tyres are classified under customs subheading no. 40112010 and tubes and flaps are under 40131020 and 40129049*

respectively. However, customs classifications are indicative only and in no way binding on the scope of investigation.

- iv. *The Authority further notes that import of TBB is already attracting ADD on imports from China and is beyond the scope of the product under consideration.... All tyres falling under the scope of PUC classifiable under customs subheading no. 40112010 and tubes and flaps classifiable under 40131020 and 40129049 respectively of Schedule I of the Customs Tariff Act, 1975 are within the scope of the product under consideration and all other kinds of tyres, tubes and flaps not classifiable under these customs classification is beyond the scope of the product under consideration."*

### **C. Like Article**

8. The applicant claims that there is no significant difference in the product produced by the domestic industry and the one exported from the subject country. The product produced by the domestic industry and imported from the subject country are comparable in terms of characteristics such as physical & chemical 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. Further, the present application is for sunset review investigation for the continued imposition of anti-dumping duty. The issue of like article has been examined by the Authority in the previous investigations as well. The product imported from subject country is like article to the product produced by the domestic industry.

### **D. Subject Country**

9. The application has been filed in respect of continued dumping of the product under consideration from China PR.

### **E. Period of Investigation**

10. The Authority has determined the period from October, 2020 to September, 2021 (12 months) as the period of investigation (POI). The injury investigation will include the period 2018-19, 2019-20, 2020-21 and the POI.

### **F. Domestic Industry and Standing**

11. The application has been filed by ATMA. The relevant information as per the prescribed formats to establish injury to the domestic industry has been provided by the following applicant companies:
- i. Apollo Tyres Limited,
  - ii. J.K. Tyre Industries Limited and
  - iii. MRF Limited

12. The applicant has submitted that there are five producers of subject goods in India apart from the applicant companies. The production by the applicant companies constitutes 76.3% of the domestic production of the like article. The applicant companies have certified that they are not related to an exporter or producer of the subject goods in the subject country or an importer in India either directly or indirectly within the meaning of Rule 2(b) of Anti-Dumping Rules.
13. In view of the same and on the basis of the information available on record, the Authority is satisfied that the application has been made 'by or on behalf of the domestic industry' and satisfies the requirements of standing in terms of Rule 5(3), and the applicant constitutes domestic industry within the meaning of Rule 2(b).

#### **G. Normal Value**

14. The applicant has submitted that the Normal Value should be determined as per Para 7 of Annexure I of the Anti-Dumping Rules, 1995. Pursuant to the same, efforts were made to determine the normal value on the basis of price or constructed value in a market economy third country. However, no verifiable evidence or published information was available regarding the same. Further, the normal value could not be based on the price from a market economy third country to other country, including India, since Thailand is the major exporting country, but the Authority had recommended duties in November, 2020 on the imports from Thailand.
15. The Authority has, therefore, constructed the normal value for the subject country on the basis of the cost of production in India duly adjusted to include reasonable profit.

#### **H. Export Price**

16. The export price for subject goods for the subject countries has been computed based on the Directorate General of Commercial Intelligence and Statistics (DGCI&S) import data. The adjustments have been made for ocean freight, marine insurance, commission, handling charges, port expenses, and bank charges. There is sufficient prima facie evidence with regard to the net export prices claimed by the applicants.

#### **I. Dumping Margin**

17. The normal value and the export price have been compared at the ex-factory level, which prima facie show that the dumping margin is above the de-minimis level and significant in respect of the subject goods originating in or exported from the subject country. There is prima facie evidence that the normal value of the subject goods in the subject country is significantly higher than the net export price, indicating that the subject goods originating in or exported from the subject country have continued to be exported at the dumped prices, in spite of the anti-dumping duty in force.

**J. Likelihood of continuation or recurrence of injury**

18. Considering the positive and significant dumping margin in spite of the anti-dumping duty in force, there is likelihood of continuation/recurrence of the dumping and the injury to the domestic industry in the event of cessation of duty, Moreover, there is prima facie evidence of the excess capacities in the subject country, the potential trade diversion and the price attractiveness of the Indian market. It is noted that there is prima facie likelihood of continuation/recurrence of the dumping and the injury to the domestic industry in the event of cessation of the existing anti-dumping duty.

**K. Initiation of sunset review investigation**

19. On the basis of the duly substantiated written application filed 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 about the likelihood of continuation or recurrence of the dumping and the injury to the domestic industry, the Authority, in accordance with Section 9 A (5) of the Act, read with Rule 23 of the Rules, hereby initiates the sunset review investigation to review the need for continued imposition of the duties in force in respect of the subject goods, originating in or exported from the subject country, and to examine whether the expiry of existing anti-dumping duties is likely to lead to continuation or recurrence of the dumping and the injury to the domestic industry.

**L. Procedure**

20. The review will cover all aspects of final finding notification no. 14/14/2015-DGAD, dated the 1<sup>st</sup> August, 2017 & Central Government notification no. 45/2017-Cus (ADD) dated 18th September, 2017. The Authority will also undertake the likelihood analysis of dumping and injury as required.
21. 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.

**M. Submission of information**

22. In view of the special circumstances arising out of COVID-19 pandemic, all the communication should be sent to the Authority via email at email addresses adg15-dgtr@gov.in, adv11-dgtr@gov.in, jd13-dgtr@gov.in and dd15-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.
23. The known exporters in the subject country, their government through their Embassy in India, the importers and the 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.

24. 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 on email addresses mentioned above.
25. 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.

**N. Time-limit**

26. Any information relating to the present investigation should be sent to the Designated Authority via email at the email addresses [adg15-dgtr@gov.in](mailto:adg15-dgtr@gov.in), [adv11-dgtr@gov.in](mailto:adv11-dgtr@gov.in), [jd13-dgtr@gov.in](mailto:jd13-dgtr@gov.in) and [dd15-dgtr@gov.in](mailto:dd15-dgtr@gov.in) within thirty days from the date of receipt of the notice as per Rule 6(4) of the Anti-Dumping 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.
28. The interested parties are further advised to keep a regular watch on the official website of DGTR, i.e., [www.dgtr.gov.in](http://www.dgtr.gov.in) for any updated information with respect to this investigation.

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

29. 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.
30. The parties making any submission (including Appendices/Annexes attached thereto), before the Authority including questionnaire response, are required to file Confidential and Non-Confidential versions separately.
31. 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.

32. 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.
33. 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.
34. 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.
35. 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.
36. The Authority on being satisfied and accepting the need for confidentiality of the information provided, shall not disclose it to any party without specific authorisation of the party providing such information.

**P. Inspection of Public File**

37. A list of all registered 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 other interested parties since the public file will not be accessible physically due to ongoing global Covid-19 pandemic.

**Q. Non-cooperation**

38. In case where any 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**