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Government of India

Ministry of Commerce & Industry

(Directorate General of Trade Remedies)

4th Floor, Jeevan Tara Building, 5, Parliament Street, New Delhi – 110001

Dated: 30.09.2020

INITIATION NOTIFICATION

Case No. AD (OI) – 33/2020

Subject: Initiation of Anti-Dumping Investigation concerning imports of “Decor Paper” originating in or exported from China PR.

1. ITC Limited (hereinafter also referred to as the “Applicant”) has filed an application (hereinafter also referred to as the “Petition”) seeking initiation of anti-dumping investigation concerning imports of Decor Paper, originating in or exported from China PR (hereinafter also referred to as “subject country”) before the Designated Authority (hereinafter also referred to as the “Authority”) 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”).
2. The Applicant has alleged that material injury to the domestic industry is being caused due to dumped imports of the Decor paper, originating in or exported from the subject country and has requested for imposition of the anti-dumping duty on the import of the subject goods originating in or exported from the subject country.

Product under consideration (PUC)

3. The product under consideration is “uncoated paper in reel form of 40-130 GSM, having klemm absorbency of at least 12 mm per 10 minutes, wet tensile strength of 6-12 N/15 mm, and gurley porosity of 10-40 sec / 100 ml, containing titanium dioxide or pigments as filler” (herein also referred to as “Décor paper” or “subject goods”). It is a base paper for high-pressure (HPL) or low-pressure (LPL) decorative laminates, also known as decorative base paper, decorative paper for high-pressure or low-pressure laminates, coating base paper and print base paper, but excluding printed ready-to-use decor paper.
4. The product under consideration includes various types of decor paper, such as surfacing paper (white/off-white), liner (white / off-white), barrier paper, shuttering base, overlay paper

and print base paper (color / white). It may be imported as base paper for waxing, coating and impregnation; base paper for printing; base paper for use in decorative industry and barrier paper, and may come in various sizes as 95 cm, 96 cm, 102 cm, 123 cm, 123.5 cm, 124 cm, 124.5 cm, 125 cm, 131 cm, 132 cm, 183 cm, 184 cm and 185 cm.

5. The product under consideration is produced from pulp, in the form of pressed sheets, which have to be slush in water to make pulp suspension so that pulp is suitable for use. During this process, fibres are separated. To produce decor paper, fibres are refined through the action of mechanical work and in the presence of aqueous medium (water). Additives are added in the manufacturing process, which are used as filler in the spaces between fibres, with the aim of improving opacity, whiteness and to increase the quality of print by improving the surface. Thereafter, undesirable particles are removed through cleaning. A volume of diluted pulp suspension is next transformed into a fine, wide and uniform sheet, with all components perfectly distributed, post which the sheet is dewatered, dried and calendared. Lastly, the sheets are slotted as per the requirements, and packed.
6. The product under consideration is classified under the Chapter 48 of the Customs Tariff Act, 1975 (51 of 1975) under the tariff customs classification 48059100. The Applicant has claimed that the product under consideration is also being imported under 48022090. Both the customs classifications have been considered for the purpose of the present investigation. However, the customs classification is only indicative and is not binding on the scope of the product under consideration.

Like Article

7. The Applicant has claimed that there is no known difference between the subject goods exported from the subject country and that produced by the domestic industry. Subject goods produced by the domestic industry and product under consideration imported from the subject country are comparable in terms of essential product characteristics such as physical & chemical characteristics, manufacturing process & technology, functions & uses, product specifications, pricing, distribution & marketing and tariff classification of the goods. Consumers use the two interchangeably. The Applicant has further claimed that 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 Applicant in India are being treated as 'Like Article' to the product under consideration being imported from the subject countries.

Domestic industry and Standing

8. The application has been filed by ITC Limited. The Applicant has claimed that although it has imported the subject goods in 2017-18, no imports have been made in the period of investigation. Further, ITC Limited is not related to any exporter or producer of subject goods in the subject country or any importer of product under consideration in India.

9. Considering the information on record, it is noted that the Applicant accounts for major proportion of the Indian production. In view of the above and after due examination, the Authority notes that the Applicant constitute eligible domestic industry in terms of the provisions contained in Rule 2(b) and the application satisfies criteria in terms of Rule 5(3) of the Rules supra.

Basis of Alleged Dumping

i. Normal value

10. 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 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 Annexure- I. The Applicant has identified European Union as an appropriate third country to determine normal value for China PR and relied on the exports from European Union to India for determination of normal value.
11. Alternatively, the Applicant has also constructed the normal value on the basis of price payable in India based on cost of production, duly adjusting selling, general and administrative expenses with reasonable profits. The Authority has accepted constructed normal value for the purpose of the present investigation. There is sufficient evidence of the normal value for the subject goods from subject country claimed by the Applicant.

ii. Export Price

12. The Authority has computed the export price for the subject country based on Directorate General of Commercial Intelligence and Statistics (DGCI&S) transaction-wise import data. Price adjustments have been made for ocean freight, marine insurance, commission, bank charges, port expenses and inland freight. There is sufficient evidence of the export price for subject goods from the subject country claimed by the Applicant.

iii. Dumping Margin

13. The normal value and the export price have been compared at ex-factory level, which prima facie shows dumping margin is above the de-minimis level and is significant in respect of the product under consideration from the subject country. There is prima facie evidence that the product under consideration from subject country is being dumped into the Indian market by the exporters from the subject country.

Evidence of Injury and Causal Link

14. Information furnished by the Applicant has been considered for assessment of injury to the domestic industry. The Applicant has furnished evidence regarding the injury 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 in India, price suppression and price depression. The Applicant has claimed that its performance has been adversely impacted in respect of lost market share, accumulated inventories and consequent decline in profits, cash profits and decline in return on capital employed, as a result of increase in imports of product under consideration. There is sufficient prima facie evidence that the injury is being caused to the domestic industry by dumped imports of subject goods from subject country.

Initiation of Anti-Dumping 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, about dumping of the product under consideration originating in or exported from the subject country, injury to the domestic industry and causal link between such alleged dumping and injury, and in accordance with Section 9A of the Act read with Rule 5 of the Rules, the Authority, hereby, initiates an investigation to determine the existence, degree and effect of any alleged dumping in respect of the product under consideration originating in or exported from the subject country and to recommend the amount of anti-dumping duty, which if levied, would be adequate to remove the injury to the domestic industry.

Subject Country

16. The subject country for this investigation is China PR.

Period of Investigation (POI)

17. The Period of Investigation (hereinafter also referred to as "POI") in the present investigation is 1st April 2019 to 31st March 2020. The injury period will cover the periods 1st April 2016-31st March 2017, 1st April 2017-31st March 2018, 1st April 2018-31st March 2019 and the POI.

Procedure

18. Principles as given in Rule 6 of the Rules will be followed for the present investigation.

Submission of Information

19. In view of the special circumstances arising out of COVID-19 pandemic, all communication should be sent to the Designated Authority via email at email addresses adg13-dgtr@gov.in,

adv13-dgtr@gov.in, dir15-dgtr@gov.in and dir16-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.

20. The known exporters in the subject country, their government through their Embassy 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.
21. 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 address mentioned in paragraph 18 above.
22. 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.
23. 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

24. Any information relating to the present investigation should be sent to the Designated Authority via email at the email addresses adg13-dgtr@gov.in, adv13-dgtr@gov.in, dir15-dgtr@gov.in and dir16-dgtr@gov.in within thirty days from the date of receipt of the notice as per Rule 6(4) of the Anti-Dumping Rules. It may, however, be noted that in terms of explanation of the said 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 country. 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.
25. 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.
26. The interested parties are further advised to keep a regular watch on the official website of DGTR i.e. www.dgtr.gov.in for any updated information with respect to this investigation.

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/Annexes attached thereto), before the Authority including questionnaire response, are required to file Confidential and Non-Confidential versions separately.
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.
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 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.
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 authorisation 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. The modality of maintaining public file in electronic mode is being worked out.

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.



(B.B. Swain)

Special Secretary & Designated Authority