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**File No. 4/11/2020-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: 15th September, 2020

INITIATION NOTIFICATION

CASE NO. (AC) 07/2020

Subject: Initiation of Anti-Circumvention investigation concerning alleged circumvention of Anti-dumping duty imposed on the imports of 'Axle for Trailers' originating in or exported from China PR.

Background

1. WHEREAS, the Designated Authority (hereinafter referred to as the Authority), in an antidumping investigation, vide its Final Findings Notification No 14/17/2015-DGAD dated 30.9.2016, had recommended the imposition of anti-dumping duty on the imports of 'Axle for Trailers' originating in or exported from China PR, and the definitive anti-dumping duty was imposed by the Ministry of Finance, vide Customs Notification No. 54/2016-Customs (ADD), dated the 29.11.2016.

The Authority has received information from Commissioner of Customs (Imports), Nhava Sheva that the aforesaid AD duty is being circumvented as the subject goods (PUC) subjected to AD are being imported in CKD/SKD form (Product under investigation) and thereafter being assembled in PUC.

The Authority hereby takes cognizance of the information provided by Commissioner of Customs as per sub rule 3 of rule 26 of 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") AD rules which reads as under;

"26. Initiation of investigation to determine circumvention. –

(3) Notwithstanding anything contained in sub-rule (1), the designated authority may initiate an investigation suo motu if it is satisfied from the information received from the Commissioner of Customs appointed under the Customs Act, 1962 (52 of 1962) or any

other source that sufficient evidence exists as to the existence of the circumstances pointing to circumvention of anti dumping duty in force.”

Products Under Consideration

2. The product under consideration is the same as defined in the earlier investigation i.e. ‘Axle for Trailers’ originating in or exported from China PR (hereinafter also referred to as PUC or Subject goods). It falls under Customs Tariff 87169010 of the First Schedule to the Customs Tariff Act 1975. The AD duty on imports of PUC from China PR is in force till 28.11.2021.
3. The subject goods are manufactured and sold in different variants. However, the basic product characteristics and end use of all these variants remains the same and all such types of Trailer Axles are covered in the scope of the PUC. Since all such variants essentially constitute a homogenous product under consideration with comparable basic characteristics and similar functions/uses.

Product Under Investigation

4. The Product Under Investigation is ‘axle for trailers’ in CKD (complete knock down)/SKD (semi knock down) condition by declaring it as ‘parts of trailer axles’, (hereinafter also referred to as PUI) which is allegedly circumventing the anti-dumping duty in force on imports of PUC from China PR to circumvent the ADD on PUC.

A. Grounds for Alleged Circumvention:

5. The prima facie evidence indicates;
 - (i) Circumvention of AD duty on PUC by PUI, both of which are noted to be dumped as per secondary source information including data from DGCIS,
 - (ii) Value Addition of less than threshold stipulated in rule 25(2)(ii) to convert PUI to PUC, and
 - (iii) Undermining of the efficacy of AD on PUC.

Initiation

6. On the basis of the aforesaid prima facie information which includes;
 - Alleged circumvention of AD duty on axle for trailers as parts of axle for trailers in CKD/SKD form which are noted to be dumped
 - Assembling of parts to full axle for trailers with a value addition below the stipulated threshold,
 - Undermining the efficacy of the AD duty on axle for trailers,

The Authority hereby initiates an Anti-Circumvention investigation in accordance with Section 9A (1A) of the Act and Rules 25 & 26 of the Rules to consider extension of

existing anti-dumping duty on Imports from China PR. The Authority also recommends provisional assessment on all imports of the PUI i.e. parts in SKD/CVD form of Axle for Trailers from China PR.

Period of Investigation (POI):

7. The period of investigation (POI) for the present investigation is 1/4/2019 to 31/3/2020 (12 Months) and the injury period will cover the periods April 2016 - March 2017, April 2017 - March 2018, April 2018 - March 2019 and the POI.

Circumventing Country

8. The country involved in the circumvention is China PR.

Submission of Information

9. The exporters in the subject country, the Government of the subject country through its embassy in India, the importers and users in India known to be concerned with the product are being addressed separately to submit relevant information in the form and manner prescribed within the time limit set out below.
10. 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.
11. 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**

12. Any party making any confidential submission before the Authority is required to submit a non-confidential version of the same to be made available to the other parties.

Submission of Information

13. 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 address adg11-dgtr@gov.in and ac11-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.
14. The known exporters, 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.

15. 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 the email address mentioned above.
16. 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

17. Any information relating to the present investigation should be sent to the Designated Authority via email at the email addresses adg11-dgtr@gov.in and ac11-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 within 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.
18. 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

19. 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.
20. 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.
21. 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.
22. 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.

23. 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.
24. 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.
25. 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.
26. 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

27. 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 will be separately uploaded on DGTR's website.

Non-cooperation

28. In case any interested party refuses access to and 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.



(B.B. Swain)

Special Secretary & Designated Authority