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**No. 7/14/2021-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: 30<sup>th</sup> June, 2021

**INITIATION NOTIFICATION**

**Case No. SSR- 12/2021**

**Subject: Sunset Review of Anti-Dumping Duty imposed on imports of Elastomeric Filament Yarn from China PR, South Korea, Taiwan and Vietnam**

M/s Indorama India Private Limited (hereinafter also referred to as 'petitioner' or 'applicant') has 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 to as the "Act") and the Customs Tariff (Identification, Assessment and Collection of Antidumping 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 Sunset Review of Anti-Dumping duty imposed on the imports of "Elastomeric Filament Yarn", (hereinafter also referred to as 'subject goods' or 'product under consideration' or "PUC") originating in or exported from China PR, South Korea, Taiwan and Vietnam (hereinafter also referred to as the 'subject countries').

2. The applicant has alleged likelihood of continuation or recurrence of dumping of subject goods, originating in or exported from subject countries and consequent injury to the Domestic Industry and has requested for review and continuation of the anti-dumping duty imposed on the imports of subject goods, originating in or exported from the subject countries.

**A. Background**

3. The original investigation concerning imports of the subject goods from the subject countries was initiated by the Authority vide Notification No. 14/29/2015-DGAD dated 27.01.2016. The Final Findings Notification was issued by the Authority vide Notification No. 14/29/2015-DGAD dated 24.03.2017, recommending therein the imposition of definitive anti-dumping duty. On the basis of the recommendations made by the Authority in the Final Findings, definitive anti-dumping duty was imposed by the Central Government vide Notifications No. 15/2017-Customs (ADD) dated 03.05.2017 on the imports of the of the subject goods, originating in or exported from China PR, South Korea, Taiwan and Vietnam. The existing anti-dumping duty is valid up to 02.05.2022.

**B. Product under Consideration**

4. The product under consideration in the present application is “Elastomeric Filament Yarn of all deniers up to and including 150 Deniers, excluding coloured yarns and Beam type Elastomeric yarns.” These filament yarns are also commonly referred to as Spandex or Elastane. These yarns are also colloquially referred to as “Lycra” in the market even though it is a specific brand name. These are described in technical terms as segmented polyurethane composed of “soft”, or flexible, segments bonded together with “hard”, or rigid segments. This gives the fibre its built-in, lasting elasticity. It is an elastomeric fibre used widely as the minor component in stretch garments to provide stretch with recovery. It is to be noted that the product under consideration as defined above is the same as was in the original investigation. The applicant has used the product control numbers (PCN) issued by the Authority in the original investigation for price analysis.
5. The subject products are classified under Chapter Heading 54 “Man-made filaments; strips and the like of man-made textile materials”. The classification at the 8-digit level is 54041100 even though the product is being classified and imported under various sub-headings like 5402, 5403 and 5404 of the Customs Tariff Act, 1975. It is also to be noted that the custom classification is indicative only and in no way it is binding upon the product scope.
6. 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 notification.

**C. Like Article**

7. The Applicant has 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 and the product under consideration manufactured by the applicant. The two are technically and commercially substitutable and hence should be treated as ‘like article’ under the Rules. Therefore, the subject goods produced by the Applicant in India are being treated as ‘Like Article’ to the PUC being imported from the subject countries.

**D. Domestic Industry & Standing**

8. The application has been filed by M/s Indorama India Private Limited. The applicant has certified that it has not imported the product under consideration from the subject countries. Further, they are not related to any importer of the subject goods in India. The applicant has also submitted that apart from them, there is only one other producer of the subject goods in India, namely, Hyosung India Pvt. Ltd., but Hyosung is related to exporters of the subject goods from subject countries and has also imported the subject goods.
9. On the basis of information available, the Authority is satisfied that the Application has been made ‘by or on behalf of the domestic industry’ in terms of the provisions contained in Rule 2 (b) and Rule 5 (3) of the Rules.

**E. Subject Countries**

10. The subject countries in the present investigation are China PR, South Korea, Taiwan and Vietnam.

**F. Likelihood of continuation or recurrence of dumping**

**Normal value**

11. The Applicant has submitted that the Normal Value for China PR should be determined as per Para 7 of Annexure I of the Anti-Dumping Rules, 1995. Therefore, the Applicant has claimed that pursuant to the same, efforts were made to determine normal value on the basis of prices or constructed value in an appropriate market economy third countries or price from such a third countries to other countries, including India. However, there is no verifiable or published evidence regarding the same. Therefore, for the purpose of initiation of the investigation the normal value in China PR for the subject goods has been constructed by the Authority on the basis of cost of production in India, duly adjusted for selling, general and administrative expenses and reasonable profit margin.
12. The Applicant has submitted that they were not able to obtain verifiable or published evidence regarding normal value for other subject countries also. Therefore, for the purpose of initiation of the investigation the normal value in South Korea, Taiwan and Vietnam for the subject goods has also been constructed by the Authority on the basis of cost of production in India, duly adjusted for selling, general and administrative expenses and reasonable profit margin.

**Export Price**

13. The Authority has computed the export price for the subject countries on the basis of the Directorate General of Commercial Intelligence and Statistics (DGCI&S) transaction-wise import data. For export price from Taiwan, the applicant has relied upon Trade Map data. Price adjustments for all the subject countries have been claimed on account of ocean freight, inland freight, ocean insurance, bank charges, commission/trader's profit and non-refundable VAT (for China only).

**Dumping Margin**

14. Dumping margin has been determined for the subject countries considering the estimates of Normal Value and Export Price. The resultant dumping margin is significant and much above de-minimus limit. There is prima facie evidence that Normal Value of the subject goods in the subject countries is significantly higher than the net Export Price, indicating that the subject goods originating in or exported from the subject countries are being exported at dumped prices, thus indicating likelihood of continuation of dumping.

**Likelihood of continuation or recurrence of injury**

15. 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 positive

dumping margin, positive price undercutting, loss of profit, negative returns on ROC. Moreover, there is excess capacities in subject countries, potential trade diversion and price attractiveness of Indian market. 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.

#### **G. Initiation of sunset review investigation**

16. 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 the likelihood of continuation or recurrence of dumping and injury to the domestic industry, the Authority, in accordance with Section 9 A (5) of the Act, read with Rule 23(1B) of the Rules, hereby, initiates a 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 countries and to examine whether the expiry of existing anti-dumping duties are likely to lead to continuation or recurrence of dumping and injury to the Domestic Industry.

#### **H. Period of Investigation (POI)**

17. The period of investigation for the present investigations is January, 2020 to December, 2020 (12 months). The injury investigation period will cover the periods 2017-18, 2018-19, 2019-20 and the period of investigation.

#### **I. Procedure**

18. The review will cover all aspects of Final Finding Notification No. 14/29/2015-DGAD dated 24.03.2017 recommending imposition of anti-dumping duty on import of subject goods originating in or exported from subject countries.
19. 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.

#### **J. Submission of information**

20. 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 address adgl5-dgtr@gov.in, advl3-dgtr@gov.in, dir16-dgtr@gov.in, ddl5 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.
21. The known exporters in the subject countries, their Government through their Embassy in India, the importers and users in India known to be concerned with the PUC 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 form and manner prescribed within the time-limit set out below.
23. Any party making any confidential submission before the Authority is required to make a nonconfidential version of the same available to the other parties.

24. 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.

**K. Time Limit**

25. 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), [adv13-dgtr@gov.in](mailto:adv13-dgtr@gov.in), [dir15-dgtr@gov.in](mailto:dir15-dgtr@gov.in) and [dd15-dgtr@gov.in](mailto:dd15-dgtr@gov.in) within 30 days from the date of the receipt of the notice as per the 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.
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.

**L. 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. 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 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. In case confidentiality is claimed on any part of the questionnaire’s response/ submissions, the same must be submitted in two separate sets (a) marked as Confidential (with title, index, number of pages, etc.) and (b) other set marked as Non-Confidential (with title, index, number of pages, etc.). All the information supplied must be clearly marked as either “confidential” or “non-confidential” at the top of each page.

32. The non-confidential version is required to be a replica of the confidential version with the confidential information preferably indexed or blanked out /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, parties submitting the confidential information may indicate that such information is not susceptible to summarization; a statement of reasons why summarization is not possible must be provided to the satisfaction of the Authority.
33. 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 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.
34. Any submission made without a meaningful non-confidential version thereof or without a good cause statement on the confidentiality claim may not be taken on record by the Authority. 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.

**M. Inspection of Public File**

35. 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.

**N. Non-Cooperation**

36. 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.

  
(Anant Swarup)  
Designated Authority