

F. No. 6/1/2022-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: 6th May, 2022

INITIATION NOTIFICATION
Case No. AD (OI) - 01/2022

Subject: Initiation of anti-dumping investigation concerning imports of “*Dispersion Unshifted Single-mode Optical Fibre*” (“*SMOF*”) originating in or exported from **China, Indonesia and South Korea**

M/s **Birla Furukawa Fibre Optics Pvt. Ltd.** (hereinafter referred to as the 'applicant') has filed an application before the Designated Authority (hereinafter referred to as the Authority), on behalf of the domestic industry, in accordance with the Customs Tariff Act, 1975 as amended in 1995 and thereafter (hereinafter 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 referred as the "Rules"), for initiation of anti-dumping investigation concerning imports of " *Dispersion Unshifted Single-mode Optical Fibre*” (“*SMOF*”) (hereinafter referred to as 'subject goods' or 'product under consideration') originating in or exported from **China, Indonesia and South Korea** (hereinafter referred to as 'subject countries').

2. The applicant has alleged that material injury is being caused to the domestic industry due to the dumped imports, originating or exported from the subject countries and has requested for the imposition of anti-dumping duties on the imports of subject goods from the subject countries.

A. PRODUCT UNDER CONSIDERATION

3. The product under consideration is “*Dispersion Unshifted Single-mode Optical Fibre*” (“*SMOF*”) originating in or exported from China, Indonesia and South Korea. SMOF facilitates transmission of a single spatial mode of light as a carrier and is used for signal transmissions within certain bands. The product scope covers Dispersion Unshifted Fibre (G.652) as well as Bend insensitive single mode Fibre (G.657) - as defined by International Telecommunication Union (ITU-T), which is a global standardization body for telecommunication systems and vendors. Dispersion shifted Fibre (G.653), Cut-off shifted single mode optical Fibre (G.654), and Non Zero Dispersion Shifted Fibres (G.655 & G.656) are specifically excluded from the scope of Product.

4. The product under consideration is used for manufacture of Optical Fibre Cables, including Uni-tube and Multi tube stranded cables, tight buffer cables, Armoured and Un-

armoured cables, ADSS & Fig-8 cables, Ribbon cables, Wet core and Dry core cables and others. Single-mode Optical Fibre is mainly applied to high-data rate, long distance and access network transportation, therefore, is mainly used in long-haul, metro area network, CATV, optical access network (for example FTTH) and even over short distance networks as applicable. Major consumption is driven by 3G/4G/5G rollout by Telco's, Connectivity of Gram Panchayat and Defence (NFS Project).

5. The PUC is being imported under Customs Tariff Heading 90011000 of the First Schedule to the Customs Tariff Act, 1975. However, it is possible that the subject goods may also be imported under other headings and therefore, the Customs tariff heading is indicative only and is not binding on scope of the product.

B. LIKE ARTICLE

6. The Applicant has claimed that the subject goods, which have been alleged to be dumped in India, are identical to the goods produced by the domestic industry. There are no known differences in the technical specifications, quality, functions and end use of the two products. The Authority notes that the two are prima facie technically and commercially substitutable. Hence, for the purposes of the present investigation, the Authority holds that the two should be treated as 'like article' under the Rules.

C. SUBJECT COUNTRIES

7. The subject countries in the present petition are China, Indonesia, and South Korea.

D. PERIOD OF INVESTIGATION

8. The period of investigation (POI) adopted by the Authority for the present investigation is 1st January' 2021 to 31st December' 2021. The injury investigation period covers the periods 1st April' 2018 – 31st March 2019, 1st April' 2019 – 31st March 2020, 1st April' 2020 – 31st March 2021 and the POI.

E. DOMESTIC INDUSTRY AND STANDING

9. The application has been filed by M/s Birla Furukawa Fibre Optics Pvt. Ltd. ("BFL") In addition to the Applicant, there are other manufacturers of the PUC in India. The Applicant has submitted the production data of other manufacturers from CRU, a data reporting body which specialises in studying and analysing commodity markets, including Optical Fibre market. It has been submitted that out of the other Indian manufacturers, Sterlite Technologies Ltd. and M/s ZTT India Pvt. Ltd., are regular importers of the PUC and have imported significant quantities of PUC during the POI. Considering that the said producers are regular importers of the PUC and have imported significant quantity of PUC during the POI, the Authority holds that they are not eligible domestic producers under Rule 2(b) of the ADD Rules.

10. It is seen that BFL accounts for the major share of the total production of the eligible domestic production (i.e. Indian production after excluding Sterlite Technologies Ltd. and ZTT India Pvt. Ltd.) and therefore, has the requisite standing to file the present application.

11. As per the information submitted by the Applicant, one of its group company has imported the subject goods from China PR and Korea, *albeit* under duty exemption schemes for the purpose of manufacturing goods for export. Considering that the imports have been

made for export purposes and also as the volume of such imports is not significant, the Authority notes, after due examination, that the applicant constitutes eligible domestic industry in terms of the provisions of Rule 2(b) and the application satisfies the criteria in terms of Rule 5(3) of the Rules.

F. BASIS OF ALLEGED DUMPING

12. Normal Value

The Applicant has claimed that in terms of Article 15(a)(i) of China's Accession Protocol, the normal value for Chinese producers may be determined based on costs or domestic selling prices prevailing in China, only if the responding Chinese producers demonstrate that their cost and price information are based on market driven principles and allow for fair comparison in terms of Para 1 to 6 of Annexure I to ADD Rules, failing which, normal value for Chinese producers must be determined based on para 7 and 8 of Annexure I to the rules.

13. The Applicant has also claimed that the data relating to price in other subject countries is not available. The normal value has been thereby constructed based on best estimates of the cost of production of subject goods as per the best available information after duly adjusting selling, general & administrative expense with reasonable profits.

14. Export price

The export price for subject goods for the subject countries have been computed based on the import data. Price adjustments have been made for ocean freight, marine insurance, commission, port expenses, bank charges and inland freight expenses. There is sufficient prima facie evidence with regard to the net export price so computed.

15. Dumping margin

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

G. INJURY AND CAUSAL LINK

16. Information furnished by the applicant has been considered for assessment of injury to the domestic industry. The applicant has furnished evidence regarding the injury taken place as a result of the alleged dumping in form of increased volume of dumped imports in absolute terms and in relation to production or consumption in India, price undercutting and price suppressing and depressing effect on the domestic industry. The applicant has claimed that its performance has been adversely impacted in respect of sale, profitability, return on investment, accumulation of inventories and capacity utilization as a result of increase in imports of product under consideration at an injurious price for the domestic industry. There is sufficient prima facie evidence that the injury is being caused to the domestic industry by dumped imports from subject countries.

H. INITIATION OF ANTI-DUMPING INVESTIGATION

17. On the basis of the duly substantiated written application by the domestic industry, and having satisfied itself, on the basis of the prima facie evidence submitted by the domestic industry, about dumping of product under consideration originating in or exported from the

subject countries, 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 countries and to recommend the amount of anti-dumping duty, which if levied, would be adequate to remove the injury to the domestic industry.

I. PROCEDURE

18. Principles as stated under Rule 6 of the said Rules shall be followed in the present investigation.

J. 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 address adg11-dgtr@gov.in, adv14-dgtr@gov.in, dd11-dgtr@gov.in, and dd16-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 producers/exporters in the subject countries, Government of the subject countries through their Embassies in India, the importers and users in India known to be concerned with the subject goods 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. 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.

K. TIME LIMIT

22. Any information relating to the present investigation should be sent to the Designated Authority via email at the following email addresses adg11-dgtr@gov.in, dd11-dgtr@gov.in, adv14-dgtr@gov.in and dd16-dgtr@gov.in, within 30 days from the date on which it was sent by the Designated Authority or transmitted to the appropriate diplomatic representative of the exporting country as per 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.

23. 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

24. 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.

25. 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.

26. 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.

27. 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.

28. 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.

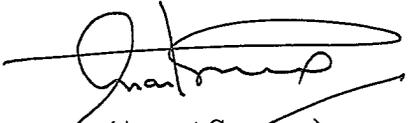
29. Any submission made without a meaningful non-confidential version thereof or without good cause statement on the confidentiality claim shall not be taken on record by the Authority.

M. INSPECTION OF PUBLIC FILE

30. A list of 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 pandemic.

N. NON-COOPERATION

31. 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