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**F. No. 7/7/2021-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: 19 April, 2021

**INITIATION NOTIFICATION
Case No. AD (SSR) -7/2021**

Subject: Initiation of Sunset Review investigation concerning imports of “Axle for Trailers” from China PR.

1. M/s York Transport Equipment (India) Pvt. Ltd. (hereinafter also referred to as the “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 Customs Tariff (Identification, Assessment and Collection of Antidumping Duty on Dumped Articles and for Determination of Injury) Rules, 1995 (hereinafter also referred to as the “Rules”) for initiation of sunset review investigation concerning imports of “Axle for Trailers” (hereinafter referred to as ‘product under consideration’ or ‘PUC’ or the ‘subject goods’) originating in or exported from China PR (hereinafter referred to as ‘subject country’).
2. The Applicant has alleged continued dumping & injury and likelihood of dumping and injury in case of expiry of existing anti-dumping duties and have requested for initiation of sunset review and continuation of the anti-dumping duty (ADD) imposed on the imports of the subject goods originating in or exported from the subject country.

A. Background

3. The original anti-dumping investigation was initiated by the Authority vide Notification No. 14/17/2015-DGAD dated 28th December, 2015. On the basis of recommendation made by the Authority, vide Notification No. 14/17/2015-DGAD, dated 30th September, 2016 for definitive antidumping duty on the imports of subject goods originating in or exported from China PR, the imposition of antidumping duty was notified vide Custom Notification No. 54/2016-Customs (ADD), dated 29th November, 2016. The anti-dumping duty on imports of PUC from China PR is in force till 28th November, 2021.

4. Notwithstanding the above, the Authority has initiated an anti-circumvention investigation on *suo motu* basis on 15.09.2020 vide Notification No. 4/11/2020-DGTR which is currently in progress. The initiation of the said investigation was based on the information received from Commissioner of Customs (Imports), Nhava Sheva that the aforesaid anti-dumping duty is being circumvented as the PUC is being imported in CKD (complete knock down)/SKD (semi knock down) condition (Product under investigation) by declaring it as 'parts of trailer axles' and thereafter being assembled as PUC.

B. Product under Consideration (PUC)

5. The product under consideration in the present investigation is "Axle for Trailers". The product under consideration defined in the original anti-dumping investigation vide Final Findings No. 14/17/2015-DGAD dated 30.09.2016 was as follows:

12. The Authority notes that the product under consideration in the present investigation is 'Axle for Trailers' originating in or exported from China PR. The Authority also noted that 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. It has been observed that all such variants essentially constitute a homogenous product under consideration with comparable basic characteristics and similar functions/uses.

13. The Authority also notes that the product under consideration is a vehicle part and accessory, falling under Chapter 87 of the Customs Tariff Act, 1975 and further classified under custom sub-heading no. 87169010. However, since the subheading is not a dedicated classification, the customs classification is indicative only and not binding on the product scope determined for this investigation.

6. It has been contended that no significant developments have taken place over the period in the way in which the subject goods are produced and sold except the claims of possible circumvention of duties which is being investigated by the Authority. The present investigation being a sunset review investigation, product under consideration remains the same as defined in the original anti-dumping investigation concerning the subject goods.

C. Like Article

7. The Applicant has submitted that there is no known difference in the subject goods produced by the applicant domestic producers and those exported from the subject country. Both products are comparable in terms of technical characteristics, their similar end uses, their technical and commercial substitutability and tariff classification. The Authority in the previous investigation held that the products being manufactured by the domestic industry is like article to the product being imported into India from the subject country. The present application is for review of the extension of original duty and since the product

under consideration for the present and original investigation are same, it is prima facie considered that the subject goods produced by the Domestic Industry and the subject goods imported from the subject country are "like article".

D. Domestic Industry and Standing

8. The application has been filed by M/s York Transport Equipment (India) Pvt. Ltd. The Applicant has certified that they have not imported the subject goods from the subject country in the entire injury period nor are they related to any producer or importer of the subject goods. As per evidence available on record, the production of the applicant accounts for a major proportion in the domestic production of the like article.
9. In view of the above, the Authority notes that the Applicant constitutes eligible domestic industry in terms of Rule 2 (b), and the application satisfies the criteria of standing in terms of Rule 5(3), of the Rules supra.

E. Likelihood of dumping

10. The Applicant has cited and relied upon Article 15(a)(i) of China's Accession Protocol with regard to normal value concerning producers from China PR. 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 of Annexure-I of the Anti-dumping Rules.
11. It is noted that the Annexure-I to the Rules prescribes for determination of the normal value, inter alia, on the basis of the price or constructed value in the market economy third country, or the price from such a third country to other countries, including India or where it is not possible, on any other reasonable basis including the price actually paid or payable in India. Since neither appropriate market economy third country has been suggested by the applicant nor any information concerning the price or constructed value in any market economy third country is readily available, the normal value for the purpose of initiation has been constructed on the basis of cost of production of the subject goods in India and selling, general & administration expenses along with reasonable addition for profit.
12. The export price has been computed based on Directorate General of Commercial Intelligence and Statistics (DGCI&S) transaction-wise import data. Price adjustments have been made for Ocean Freight, Insurance, Inland Freight, Port Expenses, Bank Charges, Credit Cost and VAT Refund. There is sufficient prima facie evidence with regard to the net export price claimed by the Applicant.
13. Considering the normal value and export price determined as above, dumping margin has been determined. There is sufficient prima facie evidence that the normal value of the

subject goods in the subject country is higher than the export price, indicating, prima facie, that the subject goods are being dumped into the Indian market. The dumping margin is not only above *de minimis* but also substantial.

F. Likelihood of Injury

14. Applicant has claimed likelihood of continuation of injury on the grounds of continued imports volume of subject goods despite existence of duties, positive price undercutting and suppression and underselling effects. The performance of the domestic industry has deteriorated on various volume and price parameters though a fall in demand is also visible which the applicant has claimed as only a temporary fall. The applicant has also claimed that fall in demand cannot be considered as the sole cause of injury as the imports from China PR continued at dumped levels even after duties and the share of such dumped imports increased even in a falling demand scenario and the price effects from such imports also have been significantly adverse. Such imports and its effect can aggravate in the event of expiry of present duties. The price effects were limited on account of existing duties as claimed by the applicant. The positive effects of anti-dumping duties in force are also claimed to be vitiated due to the circumvention of duties on PUC which is being probed by the Authority.

G. Initiation of Sunset Review Investigation

15. On the basis of the duly substantiated application by the domestic industry, and having satisfied, on the basis of the prima facie evidence submitted by the applicant substantiating likelihood of continuation of dumping and injury to the domestic industry, in accordance with Section 9A (5) of the Act, read with Rule 23(1B) of the Rules, the Authority hereby initiates 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 duty is likely to lead to continuation or recurrence of dumping and consequent injury to the Domestic Industry.

H. Subject Country

16. The subject country for the present investigation is China PR.

I. Period of Investigation (POI)

17. The period of investigation (hereinafter also referred to as "POI") for the present investigation is 1st January 2020 to 31st December 2020 (12 Months). For assessment of injury to the Domestic Industry the Authority shall cover the period 2017-18, 2018-19, 2019-20 and the POI.

J. Procedure

18. The review investigation will cover all aspects of the Final Findings published vide Notification No. 14/17/2015-DGAD, dated 30th September, 2016 recommending imposition

of Anti-Dumping Duty on imports of 'Axle for Trailers' from China PR. The Authority will also undertake likelihood analysis of dumping and injury as required.

19. The provisions of Rules 6,7,8,9,10,11,16,17,18,19 and 20 of the Rules supra shall be mutatis mutandis applicable in this review.

K. 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 email address adg11-dgtr@gov.in, dd11-dgtr@gov.in, dir13-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.
21. The known exporters, Government through its 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
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 on the email address mentioned in Para 20 above.
23. 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.
24. Interested parties are further advised to keep a regular watch on the official website of the Designated Authority <https://www.dgtr.gov.in> for any updated information with respect to this investigation.

L. Time Limit

25. Any information relating to the present investigation should be sent in writing so as to reach the Authority at the email address adg11-dgtr@gov.in, dd11-dgtr@gov.in, dir13-dgtr@gov.in and dd16-dgtr@gov.in within thirty days from the date of receipt of the notice as per Rule 6(4) of the 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
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.

M. 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/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. 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 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 authorization of the party providing such information.

N. 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 share the non-confidential versions of their submissions with all interested parties via e-mail since the public file will not be accessible physically due to ongoing global pandemic.

O. 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)

Joint Secretary & Designated Authority

