

To be published in Part-I Section I of the Gazette of India Extraordinary

F. No. 06/18/2023-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: 30th September,2023

INITIATION NOTIFICATION

Case No. OI (17/2023)

Subject: Initiation of anti-dumping investigation concerning imports of “Cellophane Transparent Film” originating in or exported from China PR.

1. M/s Kesoram Rayon (hereinafter referred to as the “applicant” or the “domestic industry”) has filed an application 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 the Customs Tariff (Identification, Assessment and Collection of Anti-dumping duty on Dumped Articles for Determination of Injury) Rules, 1995, as amended from time to time (hereinafter also referred to as the “Rules”), for initiation of an anti-dumping investigation and imposition of anti-dumping duty on the imports of “Cellophane Transparent Film” (hereinafter referred to as the “product under consideration” or “PUC” or the “subject goods”), originating in or exported from China PR.
2. The applicant has claimed that injury to the domestic industry is being caused due to the dumped imports from China PR and has requested for imposition of anti-dumping duty on the imports of the subject goods originating in or exported from China PR.

A. Product Under Consideration (PUC)

3. The product under consideration in the present investigation is “Cellophane Transparent Film”. (CTF), (hereinafter also referred to as the “Product under Consideration” or the “subject goods”). The product is also globally known by other names like “Cellophane Transparent Paper”, “Cellophane Paper”, “Transparent Paper”, “Transparent Film”, “TP Film”, “CTP Film”, etc.
4. CTF is a re-generated cellulose film of glass clear transparency and sparkle. It is flexible yet tough. It shows outstanding machinability as well as dimensional stability. It is made of wood

pulp. It is non-toxic, biodegradable and burns like any other paper leaving black ash. CTF can be colored or white. It is available in sheet and roll forms. It is an ideal packing material. It is used in packing and wrapping of sweets, fireworks, fruits and food items, candies, confectionaries, gifts, soaps, incense sticks, silverware, etc.

5. There are different forms of CTF having different GSM. The applicant has claimed that the consumers use the products interchangeably as there is no significant price difference in different grades of the PUC, regardless of the GSM and grades, all types are within the scope of the PUC therefore, the unit of measurement is taken as KG.
6. The subject products are classified under Chapter 39 and Chapter 48 under customs sub-headings 39207111 and 48239090 of the Customs Tariff Act, 1975. The PUC is mainly imported in 39207111 and only few transactions are in chapter 48. It is also submitted that the custom classification is indicative only and in no way, it is binding upon the product scope.
7. The interested parties are directed to make comments on the scope of the PUC, PCNs, if any within 15 days of this initiation notification.

B. Like Article

8. The applicant has submitted that the subject goods produced by the Indian industry and imported from China PR are comparable in terms of characteristics such as physical & chemical characteristics, manufacturing process & technology, functions & uses, product specifications, pricing, distribution & marketing, and tariff classification of the goods. The two are technically and commercially substitutable. The consumers are using the two interchangeably. The subject goods produced by the applicant are 'like article' to the goods imported from the subject country as defined under Rule 2(d) of the Anti- Dumping Rules. The applicant, therefore, has submitted that the product produced by the domestic industry is like article to the product imported from China PR.
9. Thus, for the purposes of the present investigation, the article produced by the applicant has been considered as like article to the product being imported from the subject country.

C. Subject Country

10. The subject goods are allegedly being dumped from China PR.

D. Period of Investigation

11. The period of investigation (POI) adopted by the Authority for the present investigation is April 2022 to March 2023 (12 months). However, injury investigation period will cover 2019-20 (base year), 2020-21, 2021-22 and the POI.

E. Domestic Industry and Standing

12. The present application has been filed by M/s Kesoram Rayon, a unit of Cygnet Industries Ltd., Kolkata (a wholly owned subsidiary of Kesoram Industries Limited) for recommendation of the anti-dumping duties on the dumped imports of the product under consideration from China PR. As per the information filed in the application, the applicant has a sole manufacturing plant to produce the subject goods and is the sole producer of the PUC in India and commands 100% of the Indian production of the subject goods.
13. On the basis of the information available and after due examination, the Authority notes that the production by the applicant constitutes “a major proportion” of total Indian production. Thus, the applicant constitutes eligible domestic industry within the meaning of Rule 2(b), and the application satisfies the requirements of Rule 5(3) of the Anti-Dumping Rules.

F. Basis of alleged dumping

Normal Value and Export price for China PR

14. The consistent practice of the Authority has been to treat China PR as a non-market economy, unless the producers from China PR demonstrate that market economy conditions prevail in the industry with regard to the production and sales of the subject goods in accordance with Para 7 of Annexure-I to the Anti-Dumping Rules, 1995.
15. The applicant has submitted that the normal value of the product under consideration sold in United Kingdom may be taken. However, the applicant has submitted only one invoice of Futamura Chemical UK Ltd., for the construction of normal value in the market economy third country. Also, UK may not be treated as market economy third country for China PR as there is huge difference between CIF value of imports from China PR and UK. Further, the level of development for both the economies is different.
16. Therefore, for the purpose of this investigation, the normal value has been constructed on the basis of the cost of production in India, with reasonable addition for selling, general & administrative expenses, and profits.
17. The applicant has claimed export price and landed value based on the volume and value of imports for the proposed period of investigation as per data procured from market intelligence sources, further adjusted for ocean freight, marine insurance, commission, bank charges, port expenses, inland freight etc. However, for the purpose of this investigation export price has been calculated as per the DGCIS data adjusted for ocean freight, marine insurance, commission, bank charges, port expenses, inland freight etc.

a. Dumping Margin

18. The normal value and the export price have been compared at ex-factory level, which *prima facie* shows that dumping margin is not only above the *de-minimis* level but also significant. There is sufficient *prima facie* evidence that the subject goods from the subject country are being dumped into the Indian market by the exporters from the subject country.

G. Evidence of Injury and Causal link

19. The applicant has furnished *prima facie* evidence regarding the injury resulting from the alleged dumping of imports. The imports from the subject country have increased in absolute and relative terms. The price depression caused by the dumped imports have led to losses, cash losses, and negative return on the capital employed. Market share of the subject country has increased. Further, there was a significant increase in inventories and growth has been negative in terms of both volume and price parameters. There is sufficient *prima facie* evidence of material injury being caused to the domestic industry by the dumped imports of the subject goods from the subject country.

H. Initiation of anti-dumping investigation

20. On the basis of the duly substantiated application by the applicant, and having satisfied itself, on the basis of the *prima facie* evidence submitted by the applicant, concerning the dumping of the product under consideration originating in or exported from the subject country, the consequential injury to the domestic industry as a result of the alleged dumping of the subject goods and the causal link between such injury and the dumped imports, and in accordance with Section 9A of the Act read with Rule 5 of the AD Rules, the Authority, hereby, initiates an anti-dumping investigation to determine the existence, degree and effect of the dumping with respect to the product under consideration originating in or exported from the subject country and to recommend the appropriate amount of anti-dumping duty, which if levied, would be adequate to remove the injury to the domestic industry.

I. Procedure

21. The principles as given in Rule 6 of the Rules will be followed for the present investigation.

J. Submission of Information

22. 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 addresses adg16-dgtr@gov.in and adv13-dgtr@gov.in with copy to jd16-dgtr@gov.in and jd15-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.
23. The known exporters in the subject country, the government of the subject country 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.
24. 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 on the email addresses mentioned in Para 22 above.

25. Any party making any confidential submission before the Authority is required to make a non-confidential version of the same available to the other interested parties.
26. Interested parties are further advised to keep a regular watch on the official website of the DGTR, i.e., <https://www.dgtr.gov.in/> for any updated information with respect to this investigation.

K. Time Limit

27. Any information relating to the present investigation should be sent to the Designated Authority via email at the email addresses adg16-dgtr@gov.in, adv13-dgtr@gov.in, jd16-dgtr@gov.in and jd15-dgtr@gov.in within thirty (30) 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 countries. 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.
28. 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

29. 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.
30. 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.
31. 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.
32. 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.
33. 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. The other interested parties can offer their comments on the confidentiality claimed within 7 days of receiving the non-confidential version of the document.

34. 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.
35. 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.
36. 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

37. 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.

N. Non-cooperation

38. 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.


(Anant Swarup)
Designated Authority