

No.6/44/2017-DGAD
Government of India
Department of Commerce
Ministry of Commerce & Industry
(Directorate General of Anti-Dumping & Allied Duties)
4th Floor, Jeevan Tara Building, 5 Parliament Street, New Delhi -110001

Dated 17 January, 2018

Initiation Notification

(Case No. OI-47/2017)

Subject: Anti-Dumping investigation concerning imports of Sun/Dust control film originating in or exported from China PR, Chinese Taipei, Hong Kong and Korea RP.

No.6/44/2017-DGAD: M/s Garware Polyester Limited (hereinafter referred to as the applicant) 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 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 to as the Rules) for initiation of anti-dumping investigation and imposition of anti-dumping duty concerning imports of Sun and/or dust control film (hereinafter referred to as subject goods or product under consideration) from China PR, Chinese Taipei, Hong Kong and Korea RP (hereinafter referred to as subject countries).

2. And whereas, the Authority prima facie finds that sufficient evidence of dumping of the subject goods, originating in or exported from the subject countries, 'injury' to the domestic industry and causal link between the alleged dumping and 'injury' exist to justify initiation of an anti-dumping investigation; the Authority hereby initiates an investigation into the alleged dumping, and consequent injury to the domestic industry in terms of Rule 5 of the Rules, to determine the existence, degree and effect of alleged dumping and to recommend the amount of anti-dumping duty, which if levied, would be adequate to remove the 'injury' to the domestic industry.

Domestic Industry & Standing

3. The petition has been filed by M/s Garware Polyester Limited. The applicant is the sole producer of the subject goods in India and the applicant accounts for 100% production of the product under consideration in the Indian Production during the POI. The applicant has certified that they are not related to a producer/exporter of the product under consideration in subject countries or an importer in India.
4. The applicant company has claimed that they are the sole producer of subject goods in India and a new entrant in the market. Thus, as per the evidence available on record, the production of the applicant company constitutes “a major proportion” of the domestic production; in fact 100% share of domestic production. The Authority, therefore, determines that the applicant company constitutes eligible domestic industry within the meaning of Rule 2 (b) of the Anti- Dumping Rules and the application satisfies the criteria of standing in terms of Rule 5 (3) of the anti- dumping Rules.

Product under consideration

5. The product under consideration in the present case is Sun and/or dust control film is a kind of specialty polyethylene/polyester film. Sun and/or dust control film in the form of Self Adhesive plate, sheet, film, foil, tape, strip and other flat shapes of plastics whether or not in rolls. The product under consideration is known by different names in the trade and market parlance, such as Sun films, Sun and/or dust control film, Window Film, Solar films, Solar Control Films, Solar Window Films etc. The scope of the product under consideration excludes plain or metallized polyethylene/polyester films.

Like Article

6. The applicant has claimed that there is no known difference between the subject goods exported from subject countries and that produced by the domestic industry. As submitted by the applicant, the product under consideration produced by the domestic

industry and imported from subject country is comparable in terms of essential product characteristics such as physical & chemical characteristics, manufacturing process & technology, functions & uses, product specifications, pricing, distribution & marketing and tariff classification of the goods. Consumers can use and are using the two interchangeably. The two are technically and commercially substitutable.

7. The applicant has further claimed that two are technically and commercially substitutable and, hence, should be treated as 'like article' under the Rules. Therefore, for the purpose of the present investigation, the Authority treats the subject goods produced by the applicant in India as 'Like Article' to the product under consideration being imported from the subject country.

Countries involved

8. The present investigation is in respect of alleged dumping of the product under consideration from China PR, Chinese Taipei, Hong Kong and Korea RP (referred to as the subject countries).

Normal Value

Normal Value for China PR, Taipei, Hong Kong and Korea RP

9. The petitioners have submitted that they have not been able to collect domestic selling prices of the subject goods in the subject countries. The petitioners also claim that there is significant distortions prevailing in the Industry in China PR. Therefore, the Normal Value in the subject countries has been estimated on the basis of cost of production in India; taking into account cost of raw material of domestic industry, cost of utilities and conversion cost of domestic industry, duly adjusted on account of selling, general & administration expenses, plus reasonable profit.

Export Price

10. The applicant has determined the export price of the subject goods from the subject countries by considering transaction wise import data collected from the

DGCI&S. Price adjustments have been made on account of ocean freight, marine insurance, commission, bank charges, port expenses and inland freight expenses in the exporting country to arrive at ex-factory export price.

Dumping Margin

11. The normal value and the export price have been compared at ex-factory level, which shows significant dumping margin in respect of the subject countries. There is sufficient prima facie evidence that the normal values of the subject goods in the subject countries are significantly higher than the ex-factory export price, indicating, prima facie, that the subject goods are being dumped into the Indian market by the exporters from the subject countries. There is sufficient evidence of the significant dumping margins to justify initiation of antidumping investigation.

Injury and Causal Link

12. The applicant has furnished evidence regarding injury due to alleged dumping due to increased imports in absolute terms and relative to production and consumption in India, price depression, price underselling and adverse impact on profitability, return on capital employed, and cash flow of the domestic industry.

13. The applicant has claimed that domestic industry has suffered material injury from dumped imports exemplified by various parameters such as significant increase in imports in absolute terms as also relative to the production and consumption in India, significant price undercutting, continued financial losses, return on investments, cash flow, inventories, etc. The demand for the product under consideration has increased throughout the injury period and subject imports have increased in absolute terms as well as in relation to production and consumption. The imports are undercutting the domestic prices. The imports have suppressed/depressed the domestic prices over the injury period. With regard to consequent impact of the imports on the domestic industry, it is noted that performance of the domestic industry has deteriorated in respect of parameters such as profits; return on capital employed and cash profits. The domestic industry is suffering significant financial losses, cash losses and negative return on investments.

14. And whereas, the Authority prima facie finds that sufficient evidence of dumping of the subject goods, originating in or exported from the subject countries; injury to the domestic industry and causal link between the alleged dumping and injury exist to justify initiation of an anti-dumping investigation.

Initiation of anti-dumping investigations

15. The Designated Authority, in view of the foregoing paragraphs, initiates an investigation into the alleged dumping, and consequent injury to the domestic industry in terms of Para 5 of the Rules, to determine the existence, degree and effect of alleged dumping and to recommend the amount of antidumping duty, which if levied, would be adequate to remove the 'injury' to the domestic industry.

Period of Investigation (POI)

16. The applicant has provided information for the period April 2016 to June 2017 (15 months). The injury investigation period has however, been considered as the period 2013-14, 2014-15, 2015-16 and proposed POI. The Authority finds the period of investigation, proposed by the applicant, is appropriate for the purposes of the present investigation.

Submission of information

17. 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 product are being addressed separately to submit relevant information in the form and manner prescribed and to make their views known to the Authority at the following address:

**The Designated Authority,
Directorate General of Anti-Dumping & Allied Duties,
Ministry of Commerce & Industry,
Department of Commerce
4th Floor, Jeevan Tara Building, 5 Parliament Street,
New Delhi -110001.**

18. Any information relating to the present investigation and any request for hearing should be sent in writing so as to reach the Authority at the address mentioned above not later than forty days (40 Days) from the date of publication of this Notification. 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 Anti-dumping Rules.

19. 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 and offer their comments to the domestic industry's application regarding the need to continue or otherwise the Antidumping measures within 40 days from the date of initiation of this investigation.

Submission of Information on Non-Confidential basis

20. 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.

21. Information supplied without any confidential marking shall be treated as non-confidential and the Authority shall be at liberty to allow the other interested parties to inspect any such non-confidential information. Two (2) copies of the confidential version and five (05) copies of the non-confidential version must be submitted by all the interested parties.

22. For information claimed as confidential; 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 and/or why summarization of such information is not possible.

23. 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.

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 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.

25. 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.

Inspection of Public File

26. In terms of rule 6(7) any interested party may inspect the public file containing non-confidential versions of the evidence submitted by other interested parties.

Non-cooperation

27. 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.

(Sunil Kumar)
Additional Secretary & Designated Authority