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Government Of India
Ministry Of Commerce & Industry
Department Of Commerce
(Directorate General Of Anti-Dumping & Allied Duties)

NOTIFICATION

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Initiation Notification

Subject: Initiation of anti dumping investigation concerning imports of Plain Medium Density Fibre Board from China PR, Malaysia, New Zealand, Thailand and Sri Lanka.

1. No.14/12/2007-DGAD Whereas All India Fibre Board Manufacturers Association, Faridabad with M/s. Shirdi Industries Limited, Mumbai and M/s. Nuchem Limited – Faridabad, domestic producers have filed a Petition before the Designated Authority (hereinafter referred to as the Authority) in accordance with the Customs Tariff Act, 1975 as amended in 1995 and the Customs Tariff (Identification, Assessment and Collection of Anti-Dumping Duty on Dumped Articles and for Determination of Injury) Rules, 1995 (hereinafter referred to as AD Rules), alleging dumping of Plain

Medium Density Fibre Board (hereinafter referred to as the subject goods), originating in or exported from China PR, Malaysia, New Zealand, Thailand and Sri Lanka (hereinafter referred to as the subject countries) and have requested for initiation of an anti-dumping investigation against the imports of the subject goods from the subject countries and levy of anti-dumping duty on such dumped subject goods.

AND WHEREAS, the Authority finds that sufficient prima facie evidence of dumping of subject goods from the subject countries, injury to the domestic industry and causal link between dumping and injury exist, the Authority hereby initiates an investigation into the alleged dumping and consequent injury to the domestic industry in terms of the Rule 5 of the said Rules to determine the existence, degree and effect of the alleged dumping and to recommend the amount of antidumping duty, which if levied would be adequate to remove the injury to the domestic industry.

2. Product under consideration

The product under consideration is Plain Medium Density Fibre Board originating in or exported from China PR, Malaysia, New Zealand, Thailand and Sri Lanka. Plain Medium density fiberboard, or Plain MDF Board, is a composite wood product made out of wood waste fibers glued together with resin, heat, and pressure. It is widely used for partitions, Modular furnitures, cabinets etc. The

product is classified under Customs Tariff heading 44.11 The Customs classification is, however, indicative only and in no way binding on the scope of the present investigation.

The petitioners have claimed that goods produced by them are like articles to the goods originating in or exported from China PR, Malaysia, New Zealand, Thailand and Sri Lanka. There is no significant difference in the subject goods produced by the petitioners and those exported from subject countries and the two are technically and commercially substitutable.

3. Domestic Industry

The application has been filed by All India Fibre Board Manufacturers Association, Faridabad with M/s. Shirdi Industries Limited, Mumbai and M/s. Nuchem Limited, Faridabad, domestic producers. These producers have provided information relevant to the present investigations and have consented to participate in the proposed investigations. The production of these applicant companies constitutes more than 50 % of total Indian production. M/s. Mangalam Timber Products Limited, Kolkata is the only other domestic producer of the like article. The Authority has determined that (a) production of the two petitioner companies constitute a major proportion in Indian

production; (b) domestic producers expressly supporting the application account for more than 50 per cent of total production of the like product produced by the domestic industry; and (c) the application has been made by or on behalf of the domestic industry.

The Authority after examining the above, determines that the petitioners constitute domestic Industry within the meaning of the rule 2(b) read with 2(d) and the application satisfies the criteria of standing in terms of Rule 5 of the Rules supra.

4. LIKE ARTICLE

Petitioners have claimed that there is no significant difference in subject goods produced by the domestic industry and exported from the subject countries. Subject goods produced by the domestic industry are comparable to the imported ones from subject countries 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. Both are technically and commercially substitutable and hold close resembling characteristics. It is further claimed that the consumers have used the two interchangeably. For the purpose of present investigation, product under consideration produced by the petitioner is being treated as like article to one imported from the subject countries within the meaning of the Anti Dumping Rules.

5. Countries involved:

The countries involved in the present investigation are China PR, Malaysia, New Zealand, Thailand and Sri Lanka

6. Normal Value

The petitioners have claimed that China PR should be treated non-market economy and have determined normal value in accordance with Para 7 and 8 of Annexure I of the Anti Dumping Rules. The petitioners have claimed that normal value could not be determined on the basis of price or constructed value in a market economy third country or price from such third countries to other countries for the reason that the relevant information is not accessible to the petitioners. The petitioner, have determined normal value considering cost of production in India, duly adjusted to include selling, general, administrative overheads and reasonable profit.

In accordance with Para 7 to Annexure-I of the Rules, interested parties are hereby invited to suggest any appropriate analogue country for determination of normal value in China within the specific time limit laid down in this notification.

With regard to other countries, petitioner have claimed normal value based on constructed cost of production considering conversion cost of the domestic industry and raw material cost and utility as per price prevailing in the subject countries to the extent available.

7. Export Price

The petitioners have claimed export price of the subject goods from the subject countries as the weighted average import price in the proposed period, based on transaction wise import data provided by the IBIS (International Business Information System). Adjustments have been claimed on account of ocean freight, marine insurance and inland transportation in the country of exports, port handling and port charges etc. to arrive at ex-factory export price. There is sufficient evidence of the export price for the subject goods from the subject countries.

8. Dumping Margin

Normal value and export price have been compared at ex-factory level, which shows significant dumping margin in respect of subject countries. There is, prima facie, evidence that the normal value of the subject goods is significantly higher than the ex-factory export price and that the subject goods are being dumped by exporters from China PR, Malaysia, New Zealand, Thailand and Sri Lanka.

9. Injury and Causal Link

The petitioners have furnished information on various parameters relating to material injury. The domestic industry is suffering from dumping for a fairly long period. Dumping has adversely affected the performance of the domestic industry throughout the injury period. Though, the demand of the subject goods has grown up significantly the domestic industry even after that is unable to utilize their existing capacities due to continuous dumping. Persistent dumping has therefore adversely affected utilization of capacities in the Country. Resultantly, production has suffered. Significant price difference between imported and domestic product is preventing the domestic industry from increasing its sales volumes. Practically entire increase in demand is being met by dumped imports. Persistent dumping is therefore adversely affecting sales volumes of the domestic industry. Imports are significantly undercutting the prices of the domestic industry. Consequently, dumping is preventing price increases that would have otherwise occurred as a result of increase in the cost of production. Persistent dumping has adversely affected profitability of the domestic industry. The domestic industry suffered financial losses throughout the injury period. Further, profitability and consequently profits position has deteriorated further. This has directly impacted upon return on capital employed and cash profits. Dumping has adversely affected the

growth of the domestic industry. Prima facie, the domestic industry has suffered collectively and cumulatively material injury on account of dumping of subject goods from subject countries.

10. Period Of Investigation (POI):

The Period Of Investigation (POI) for the purpose of present investigation is 1st January, 2007 to 31st December, 2007. The injury investigation period will however, cover the period 2004-05, 2005-06, 2006-07 and the Period Of Investigation.

11. Submission of information:

The exporters of the subject Countries and their Government through their embassies/ representatives in India, the importers and users in India known to be concerned and the domestic industry are being informed separately to enable them to file all information relevant in the form and manner prescribed. Any other party interested to participate in the present investigation may write to:

**The Designated Authority,
Ministry of Commerce & Industry,
Department of Commerce,
Directorate General of Anti-Dumping & Allied Duties, (DGAD),
Room No. 240, Udyog Bhavan,
New Delhi-110011**

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.

12. Time limit

Any information relating to the present investigation should be sent in writing so as to reach the Authority at the address mentioned above not later than forty (40) days from the date of publication of this notification, The known exporters and importers, who are being addressed separately, are, however, required to submit the information within (40) forty days from the date of the letter addressed to them.

13. Submission of Information on non-confidential basis

In terms of Rule 7, the interested parties are required to submit non-confidential summary of any confidential information provided to the Authority and if in the opinion of the party providing such information, such information is not susceptible to summarization, a statement of reason thereof, is required to be provided.

14. Inspection of public file

In terms of Rule 6(7), any interested party may inspect the public file 'containing non-confidential version of the evidence submitted by other interested parties.

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.

(R. Gopalan)
Designated Authority