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Extraordinary

Government of India
Department of Commerce
Ministry of Commerce & Industry
(Directorate General of Anti-Dumping & Allied Duties)
Udyog Bhawan, New Delhi

Dated the 25th November, 2008

INITIATION NOTIFICATION

Subject: Initiation of Anti-Dumping investigations concerning imports of Cold-Rolled Flat Products of Stainless Steel originating in or Exported from China PR, Japan, Korea, European Union, South Africa, Taiwan, Thailand and USA.

No.14/6/2008-DGAD - M/s. Jindal Stainless Ltd., New Delhi has filed an application before the Designated Authority (hereinafter refer to as the Authority) in accordance with the Customs Tariff Act, 1975 as amended in 1995 and Customs Tariff (Identification, Assessment and Collection of Anti-Dumping Duty on dumped articles and for determination of injury) Rules, 1995(herein after referred to as Rules) for initiation of anti dumping investigation concerning alleged dumping of Cold-Rolled Flat Products of Stainless Steel (hereinafter referred to as subject goods) originating in or exported from China PR, Japan, Korea, European Union, South Africa, Taiwan, Thailand and USA (hereinafter referred to as subject countries).

AND WHEREAS, the Authority finds that sufficient prima facie evidence of dumping of subject goods by the subject countries, injury to the domestic industry and causal links between the 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 Rules 5 of the said Rules, to determine the existence, degree and effect of any alleged dumping and to recommend the amount of antidumping duty, which if levied would be adequate to remove the injury to the domestic industry.

Domestic Industry

2. Application has been filed by M/s Jindal Stainless Ltd., New Delhi on behalf of the domestic industry. As per the evidence available, the applicants accounts for 80% of the total domestic productions and, therefore, has the standing to file the case for anti dumping investigation on behalf of domestic industry as per Rule 2(b) and Rule 5(3)(a) of Anti Dumping Rules. The other producer of the subject goods is M/s Salem Steel Plant, Steel Authority of India Ltd., Salem.

Product Under Consideration

3. The product under consideration is “Cold-rolled Flat products of stainless steel of the width of 600 mm or more of all series further worked then Cold rolled (cold reduced) (hereinafter also referred to as subject goods) originating in or exported from China PR, Japan, Korea, European Union, South Africa, Taiwan, Thailand and USA.

4. The product under consideration comprises of stainless steel coil, sheets and plates of above description. The subject goods are used for manufacturer of white goods, processed equipment, dairy equipment, automotive components, rail carts, metro coaches, architecture, building and construction, etc.

The subject goods are classified under Chapter 72 of the Customs Tariff Act, 1975 under the Sub-heading 7219.31, 7219.32, 7219.33, 7219.34, 7219.35 and 7219.90. The Customs classification is indicative only and not binding on the scope of investigation.

The basic Customs Duty is 5 per cent.

Like Articles

5. The applicant has claimed that the goods produced by them are “like articles” to the goods originating in or exported from the subject countries. The products produced by the applicant and the subject products imported from the subject countries/territories by Indian importers are being used interchangeably by the consumers in India. There are general similarities in physical characteristics, production process, end use in the subject products imported from the subject countries and that produced by the applicant. The subject imports compete directly with each other and with those imported from other

countries and together compete with the domestic like product. Thus, the subject products produced in the domestic industry and imported from the subject countries are commercially and technically substitutable and therefore, are “like articles” as envisaged under Anti Dumping Rules.

Countries Involved

6. The countries involved in the present investigations are China PR, Japan, Korea, European Union, South Africa, Taiwan, Thailand and USA.

Normal Value

7. The Authority notes that the applicant has claimed normal value of subject goods in China PR (being a Non Market Economy country) as per Para 7 of Annexure –I to the Anti Dumping Rules. The applicant has taken normal value based on domestic selling prices in a market economy third country as a first alternative. It has been proposed by the applicant that Japan be taken as an appropriate market economy third country as it has been claimed that the capacity in China for manufacturing the subject goods is close to the manufacturing facility in Japan. Japan is, therefore, proposed as surrogate country as the industry structure, the average capacity of plants, the cost structure, the production process and the technology are reasonably and fairly close to that found in China.

Regarding normal value of subject goods in other subject countries, it is based on (estimated cost of production by considering) published prices. The Authority has prima facie considered the normal value of subject goods in subject countries (except China PR) on the basis of published prices (Cybex Exim Solutions Pvt. Ltd.) as made available by the applicant and it has been considered by the Authority for the purpose of initiation.

Export Price

8. The export prices have been claimed on the basis of data obtained from Cybex Exim Solutions Pvt. Ltd., Noida as compiled from secondary sources. Price adjustments have been claimed on account of ocean freight in the country of export, port handling and port charges, commission, etc. to arrive at the net export price. There is sufficient

evidence of export prices and the adjustments claimed by the applicant for the subject goods from the subject countries.

Dumping Margin

9. There is sufficient evidence that the normal values of the subject goods in the subject countries are significantly higher than the net export prices indicating prima facie that the subject goods are being dumped by the exporters from the subject countries.

Injury and Causal Link

10. The applicant has furnished evidence regarding the injury having taken place as a result of the alleged dumping in the form of fall in their market share because of increased volume of dumped imports, price undercutting, price underselling, lost sales and substantial decline in profitability for the domestic industry during POI. There is sufficient prima facie evidence of the material injury being suffered by the applicant caused by dumped imports from subject countries.

Period of Investigation

11. The Period of Investigation (POI) for the purpose of present investigation is 01st January, 2007 to 31st December, 2007 (12 months). The injury investigation period will, however, cover the period April 2004 - March 2005, April 2005 – March 2006, April 2006 - March 2007.

Retrospective imposition of duties

12. Applicant has requested for retrospective imposition of duty on the ground that there is history of dumping and injury to domestic industry. It was also stated that the product under consideration is not only being dumped by the subject countries in the present case but has also been dumped by the most of the subject countries in the previous investigation as well. It is alleged that the subject goods have been continuously dumped for the past 3-4 years. The interested parties may make their submissions in this regard.

Submission of information

13. The exporters and importers known to be concerned and 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,
Directorate General of Anti-Dumping & Allied Duties,
Ministry of Commerce & Industry,
Department of Commerce
Room No.240,
Udyog Bhavan,
New Delhi-110 107.

Time limit

14. Any information relating to this investigation should be sent in writing so as to reach the Authority at the above address not later than 40 days from the date of publication of this notification. Interested parties may offer their comments, if any, on the selection of surrogate country in terms of Para 7 within 15 days of the issue of the Notification. If no information is received within the prescribed time limit or the information received is incomplete, the Authority may record their findings on the basis of the facts available on record in accordance with the Rules supra.

Inspection of Public File⁴

15. 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.

16. All interested parties shall provide a confidential and non-confidential summary in terms of Rule 7 (2), for the confidential information provided as per Rule 7 (1) of the Rules supra.

17. 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 record its findings on the basis of the facts available to it and make such recommendations to the Central Governments as deemed fit.

(R. Gopalan)
The Designated Authority