

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

**Dated the 8th
December, 2008**

INITIATION NOTIFICATION

Subject: Initiation of Anti-Dumping investigations concerning imports of Front Axle Beam and Steering Knuckle meant for heavy and medium commercial vehicles originating in or exported from China PR.

No.14/19/2008-DGAD, M/s Bharat Forge Ltd., Pune have filed an application before the Designated Authority (hereinafter referred 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 (hereinafter referred to as Rules) for initiation of anti dumping investigation concerning alleged dumping of 'Front Axle Beam and Steering Knuckle meant for heavy and medium commercial vehicles' originating in or exported from China PR (hereinafter referred to as subject country).

AND WHEREAS, the Authority finds that sufficient evidence of dumping of subject goods by the subject country, injury to the domestic industry and causal link between dumping and injury exist to justify initiation of an investigation, 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 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 Bharat Forge Ltd., Pune through TPM Solicitors & Consultants, New Delhi on behalf of the domestic industry. As per the evidence available, applicants have the 'Standing' to file the application for anti-dumping investigation on behalf of domestic industry as per Rule 2(b) and Rule 5(3)(a) of Anti Dumping Rules.

Products under consideration

3. The products under consideration are following parts and accessories of medium and heavy commercial vehicles, whether forged and/or machined: -

- (a) Front axle beam**
- (b) Steering knuckle (also known as axle arm or stub axle)**

The above is also referred to as subject goods hereinafter.

Front Axle Beam (FAB) is a safety critical item and carries the load of the vehicle and also keeps the steering in place.

Steering knuckle (SK) is a very critical component controlling the steering of the vehicle.

4. The products under consideration can be imported under the following Customs classifications:

Product	Customs Classification
Front Axle Beam	73269099, 73261910, 73261990, 87085000, 87089900
Steering Knuckle	73269099, 73261910, 73261990, 87085000, 87089900

The customs classifications are indicative only and are not binding on the scope of the products under consideration.

Like Articles

5. Petitioner has claimed that there is no significant difference in the subject goods produced by the domestic industry and the subject goods exported from China PR. According to the petitioner, the subject goods produced by the Indian industry and imported from China PR are comparable in terms of characteristics such as physical & chemical/mechanical characteristics, manufacturing process & technology, functions & uses, product specifications, pricing, distribution & marketing and tariff classification of the goods. The two are technically and commercially substitutable and consumers have used the two interchangeably. For the purpose of investigation, the subject goods produced by the applicant is being treated as like articles to the subject goods imported from subject country within the meaning of the Anti Dumping Rules.

Countries involved

6. The country involved in the present investigation is the People's Republic of China (also referred to as China PR).

Normal values

7. The applicant has proposed that China PR being a Non Market Economy, the normal value is required to be determined in terms of Para 7 of Annex-I of Anti Dumping Rules. The applicant has considered European Union as an appropriate surrogate country. The applicant has claimed normal value on the basis of (a) price in Europe, and (b) costs in Europe (after addition of reasonable profits). In the alternate, applicant has considered price in India, duly adjusted, to determine normal value. The normal value has been determined accordingly. Normal values have been determined separately for Front Axle Beam and Steering Knuckles. These have been determined separately for forged and machined products for comparison with the relevant export prices.

Export Prices

8. The applicant has determined export prices based on the data compiled by IBIS. The export prices have been adjusted for ocean freight, marine insurance, commission, port handling, inland transportation and bank commission. Export prices have been determined separately for Front Axle Beam & Steering Knuckles. These have been determined separately for forged & machined products for comparison with the relevant normal values.

Dumping margins

9. There is sufficient evidence that the normal values of each of the subject goods in subject country are significantly higher than their net export prices, *prima-facie* indicating that each of the subject goods are being dumped by the exporters from the subject country. Dumping margins have been determined separately for Front Axle Beam and Steering Knuckles. Further, these dumping margins have been determined separately for forged and machined types and thereafter weighted average dumping margins have been determined for the products under consideration.

Injury and Causal Link

10. The applicant has furnished evidence claiming injury as a result of alleged dumping. Information has been provided separately for Front Axle Beam and Steering Knuckles. The imports have increased in absolute terms and in relation to production & consumption in India. The imports are undercutting the prices of the domestic industry. The applicant has claimed deterioration in performance of the domestic industry in terms of sales, production, utilization of capacity, market share, price suppression, profit and return on capital employed. The applicant has also claimed threat of material injury in view of significant rate of increase of dumped imports indicating the likelihood of substantially increased importation, significant price difference between the domestic and imported product thus indicating that imports are likely to have a significant depressing or suppressing effect on domestic prices and would likely increase demand for further imports. There is sufficient evidence of the 'injury' being suffered by the applicant caused by dumped imports from subject country to justify initiation of this investigation.

Period of investigation

11. The period of investigation for the purpose of present investigation is 1st April 2008 to 30th September 2008. The injury investigation period will however cover the periods April 2005-March 2006, April 2006-March 2007, April 2007-

March 2008 and the Period of Investigation (POI). In view of the fact that the dumping of the products has commenced in 2007-08, the Authority considers it appropriate to adopt six months as the ‘period of investigation’.

Submission of information

12. The exporters in the subject country and their Government through their Embassy in India, 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,
Directorate General of Anti-Dumping & Allied Duties,
Ministry of Commerce & Industry,
Department of Commerce
Room No.240, Udyog Bhawan,
New Delhi-110107.**

Time limit

13. 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. 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.

Submission of Information on Non-Confidential basis

14. 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.

INSPECTION OF PUBLIC FILE

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. 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)

The Designated Authority