

**Government of India
Department of Commerce
Ministry of Commerce & Industry
(Directorate General of Anti-Dumping & Allied Duties)
Udyog Bhawan, New Delhi-110011**

Dated the 21st July, 2011

INITIATION NOTIFICATION

Subject: Initiation of Anti-Dumping Duty Investigation concerning imports of Plain Gypsum Plaster Boards originating in or exported from China PR, Indonesia, Thailand, and UAE

1. **No. 14/45/2010-DGAD** - Whereas M/s Saint-Gobain Gyproc India Ltd (hereinafter referred to as applicant) has filed an application before the Designated Authority (hereinafter referred to as the Authority) in accordance with the Customs Tariff Act, 1975 as amended from time to time (hereinafter 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 referred to as the AD Rules) alleging dumping of Plain Gypsum Plaster Boards (herein after referred to as subject goods) originating in or exported from China, Indonesia, Thailand, and UAE for initiation of Anti-Dumping Duty investigation concerning imports of Plain Gypsum Plaster Board (hereinafter also referred to as the subject goods) originating in or exported from China, Indonesia, Thailand, and United Arab Emirates (UAE) (hereinafter referred to as the subject countries) for initiation of anti dumping investigation for levy of anti dumping duties on the subject goods.
2. And whereas, the Authority 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 the Rules 5 of the AD 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.

PRODUCT UNDER CONSIDERATION

3. The product under consideration in the present investigation is Plain Gypsum Plaster Boards of all thicknesses and dimensions but excluding the following:
 - (i) Gypsum Boards having water absorption up to and including 5%. These Boards are generally referred to as "Moisture Resistant Boards" which have specific application in places where moisture resistance is desired. These moisture resistant properties are acquired by addition of certain water-repelling additives.

(ii) Gypsum Boards having a minimum breaking load of 24 Newtons in the transverse direction and 50 Newtons in the longitudinal direction per millimeter of thickness of the Board. Boards that are typically designed for special application are characterized as “Impact Resistant Boards” or “Fire Resistant Boards”

4. The Plain Gypsum Plaster Boards are also referred to as Standard Gypsum Boards, Regular Gypsum Boards or Gypsum Boards in common trade parlance. The subject goods are used in interior construction in suspended ceiling and partition applications. The subject goods are classified under chapter heading 68091100, although reportedly being imported under tariff headings such as 68099900, 68091900 etc. However, the customs classification is indicative only and in no way binding on the scope of this investigation.

DOMESTIC INDUSTRY STANDING

5. The application has been filed by M/s Saint-Gobain Gyproc India Ltd on behalf of the domestic industry. As per the evidence available on record, the applicant accounts for a major proportion of the total domestic production of the subject goods constituting more than 50% of Indian production. Apart from Saint-Gobain Gyproc India Ltd, M/s Lafarge Boral Gypsum India Pvt. Ltd. (LBGI) is reportedly a producer of the subject goods as well. However, as stated by the applicant, M/s Lafarge Boral Gypsum India Pvt. Ltd. (LBGI) has imported the subject goods from the subject countries during the period of investigation (POI), thereby making them ineligible for the status of the domestic industry as per the Rules. On the basis of information available the Authority notes that the applicant company constitutes a major proportion in Indian production. The Authority, therefore, determines that the applicant constitutes domestic Industry within the meaning of the Rule 2 (b) and the application satisfies the criteria of standing in terms of Rule 5 (3) of the Rules supra.

LIKE ARTICLE

6. The applicant has claimed that the subject goods, which are being dumped into India, are identical to the goods produced by the domestic industry. There are no differences either in the technical specifications, quality, functions or end-uses of the dumped imports and the domestically produced subject goods and the product under consideration manufactured by the applicant. The two are technically and commercially substitutable and hence should be treated as ‘like article’ under the AD Rules. Therefore, for the purpose of the present investigation, the subject goods produced by the applicant in India are being treated as ‘Like Article’ to the subject goods being imported from the subject countries.

COUNTRIES INVOLVED

7. The countries involved in the present investigation are China, Indonesia, Thailand and United Arab Emirates.

NORMAL VALUE

Normal value for China:

8. In terms of Para 8 in Annexure 1 to the Rules it is presumed that the producers of the subject goods in China PR are operating under non-market economy conditions. In view of the above non-market economy presumption and subject to rebuttal of the same by the responding exporters, normal value of the subject goods in China PR has been estimated in terms of Para 7 of Annexure 1 to the Rules. The applicant has proposed that Thailand be taken as an appropriate market economy third country which is also a subject country in the current investigation. They stated that the capacity in China for manufacturing the subject goods is close to the manufacturing facility in Thailand. 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. Thailand is a market economy country with considerable competition within the local producers as well as from imported goods. Such conditions are a good indicator of market determined prices. It is stated that the relevant information regarding the determination of normal value, therefore, can be obtained from Thailand during the course of the investigation.

Normal Value for Indonesia, Thailand and UAE

9. The applicant has constructed the normal values in respect of Indonesia, Thailand and UAE stating that neither they were able to get any documentary evidence or reliable information with regard to domestic prices of the subject goods in these countries nor the same are available in the public domain. The Authority has prima-facie considered the normal value of subject goods in respect of these countries on the basis of best estimates of cost of production, including selling, general, administrative & finance expenses and reasonable profit as made available by the applicant for the purpose of this initiation.

EXPORT PRICE

10. Export price of the subject goods from the subject countries has been estimated by considering transaction-wise import data as provided by the applicant from International Business Information Services. Price adjustments have been allowed on account of Ocean freight, marine insurance, inland transportation, port handling and port charges etc. to arrive at the net export price. There is sufficient evidence of the export prices of the subject goods from the subject countries to justify initiation of an antidumping investigation.

DUMPING MARGIN

11. Normal value and 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 value of the subject goods in the subject countries is significantly higher than the ex-factory export price, indicating, prima facie, that the subject goods are being dumped into the Indian market by exporters

from the subject countries. The dumping margins are estimated to be above *de minimis*.

INJURY AND CAUSAL LINK

12. The applicant has furnished evidence regarding the ‘injury’ having taken place as a result of the alleged dumping in the form of increased volume of dumped imports, price undercutting, price underselling, price suppression and decline in profitability, return on capital employed, cash flow, market share, production, capacity utilization etc. of the domestic industry. There is sufficient evidence of ‘injury’ being suffered by the domestic industry caused by dumped imports from subject countries to justify initiation of an antidumping investigation.

PERIOD OF INVESTIGATION

13. The period of investigation (POI) for the purpose of present investigation is 1st January 2010 to 31st December 2010 (12 months). The injury investigation period will however cover the periods April 2007-March 2008, April 2008-March 2009, April 2009-March 2010 and the POI.

SUBMISSION OF INFORMATION

14. The known exporters in the subject countries and their Governments through their Embassies/Economic and Cultural Centre 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 interested party may also make its submissions relevant to the investigation within the time-limit set out below and write to:

**The Designated Authority
Directorate General of Anti Dumping & Allied Duties,
Ministry of Commerce & Industry,
Department of Commerce,
Government of India,
Room No. 240, Udyog Bhavan,
New Delhi – 110011.**

TIME LIMIT

15. **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 40 (forty) 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 forty days from the date of the letter addressed to them separately.** If no information is received within the prescribed time limit or the submitted information is incomplete, the Designated Authority may record it’s findings on the basis of the facts available on record in accordance with the Rules .It may be noted that no request, whatsoever, shall be entertained for extension in the prescribed time limit.

SUBMISSION OF INFORMATION ON NON-CONFIDENTIAL BASIS

16. In terms of Rule 6(7) of the Rules, 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 reasons thereof, is required to be provided. 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 Designated Authority may record findings on the basis of facts available and make such recommendations to the Central Government as deemed fit.

INSPECTION OF PUBLIC FILE

17. In terms of Rule 6(7), the Designated Authority maintains a public file. Any interested party may inspect the public file containing non-confidential version of the evidence submitted by the interested parties.

NON-COOPERATION

18. 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.

(Vijaylaxmi Joshi)
The Designated Authority