

No.14/5/2005-DGAD
Government of India
Ministry of Commerce & Industry
(Department of Commerce)

New Delhi, the 4th July 2005

INITIATION NOTIFICATION

Subject: Initiation of Anti-dumping Investigations concerning import of Nylon Filament Yarn originating in or exported from China PR, Chinese Taipei, Malaysia, Indonesia, Thailand and Korea RP

M/s. Modipon Limited, Modinagar, JCT Limited, Hoshiarpur, Punjab, Shree Synthetics Limited, Ujjain and Gujarat State Fertilizers Company Limited, Vadodara have jointly filed an application before the Designated Authority (hereinafter referred to as the Authority) in accordance with the Customs Tariff (Amendment) Act, 1995 and Customs Tariff (Identification, Assessment and Collection of Anti-Dumping Duty on Dumped Articles and for Determination of Injury) Rules, 1995 alleging dumping of Nylon Filament yarn originating in or exported from China PR, Chinese Taipei, Malaysia, Indonesia, Thailand and Korea RP and have requested for initiation of anti-dumping investigations and levy of anti-dumping duties.

1. PRODUCT UNDER CONSIDERATION

The product under consideration in the present investigation is Synthetic Filament Yarn of Nylon also known as Polyamide Yarns (also described as Nylon Filament Yarn and also referred to as subject goods). Nylon Filament Yarn is a synthetic filament yarn produced by polymerization of organic monomers.

The product under consideration includes all kinds of synthetic filament yarns of Nylon or Polyamides, other than sewing thread, such as flat yarn - twisted and/or untwisted, fully drawn yarn (FDY), spin drawn yarn (SDY), fully oriented yarn (FOY), high oriented yarn (HOY), partially oriented yarn (POY), textured yarn – twisted and/or untwisted, and dyed yarn, single, double, multiple, folded or cabled, classifiable within Chapter 54 under customs subheading no. 5402, but excludes high tenacity yarn of nylon or other polyamides. The product includes all variants of Nylon Filament Yarn or Polyamide Yarns such as flat/textured/twisted/untwisted, bright/semi-dull/full-dull (or variants thereof), grey/coloured/dyed (or variants thereof), single/double/multiple/folded/cabled (or variants thereof), whether or not sized, but excludes high tenacity yarn of nylon classifiable under customs sub-heading

5402.10. The Customs classification is indicative only and is in no way binding on the scope of the present investigation.

Nylon filament yarn has vast applications in textiles applications, which includes saree, dupatta, women's dress material/fashion wear, fancy casual knit wear, stockings and socks, intimate wear and foundation wear, lingerie and night wear, briefs, panties, slippers, kids wear, sports wear and active wear, swim wear and beach wear, outer wear, wind wear, fashion accessories, elastic tapes, show/footwear linings, laces/fancy tapes, tie/scarves, feather yarn, ribbons/satin ribbons, etc.

2. DOMESTIC INDUSTRY STANDING

The application has been jointly filed by M/s. Modipon Limited, Modinagar, JCT Limited, Hoshiarpur, Shree Synthetics Limited, Ujjain and Gujarat State Fertilizers Company Limited, Vadodara. 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 Century Enka and M/s Baroda Rayon Corporation Ltd. are other producers of the like article. M/s Century Enka has supported the present application. The Authority has determined that (a) production of the four 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.

3. COUNTRIES INVOLVED

The countries involved in the present investigation are China PR, Chinese Taipei, Malaysia, Indonesia, Thailand and Korea RP (hereinafter also referred to as subject countries).

4. LIKE GOODS

The petitioners have claimed that goods produced by it are like articles to the goods originating in or exported from subject countries. There is no significant difference in the subject goods produced by the petitioners and those exported from subject countries. Petitioners claim that the two are technically and commercially substitutable. Petitioners have provided transaction wise information on imports as

compiled by International Business Information System and have claimed that the subject goods and goods produced and supplied by the petitioner companies are being interchangeably used. For the purpose of present investigation, the goods produced by the petitioner companies are being treated as Like Articles to the product imported from the subject countries within the meaning of the Rules supra.

5. NORMAL VALUE

The petitioners have claimed that China PR should be treated non-market economy and have determined normal value has in accordance with Para 7 and 8 of Annexure I of the Anti Dumping Rules. The petitioners have claimed 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, it is envisaged to choose USA as an appropriate market economy Country for the purpose of establishing normal value in respect of the People's Republic of China. Interested parties are hereby invited to comment on the appropriateness of this choice within the specific time limit laid down in this notification.

With regard to other subject countries, petitioners have claimed normal value for the subject goods in Korea RP and Chinese Taipei on the basis of domestic prices reported in www.yarnsandfibre.com. For Indonesia, Malaysia and Thailand, normal value has been determined on the basis of estimates of cost of production, considering prices of Nylon Chips in these countries as reported in www.yarnsandfibre.com and best estimates of conversion costs, selling, general & administrative costs and reasonable profits.

The Authority notes that there is sufficient evidence of the normal values in subject countries.

6. 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 to arrive at ex-factory export price. There is sufficient evidence of the export price for the subject goods from the subject countries.

7. DUMPING MARGIN

Normal value and export price have been compared at ex-factory level, which shows significant dumping margin in respect of each of the subject countries. There is, 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 by exporters from the subject countries.

8. INJURY AND CAUSAL LINK

The petitioners have furnished information on various parameters relating to material injury. Parameters such as significant increase in the volume of imports from the subject countries in absolute terms as also relative to production and consumption in India, increase in the market share of subject imports and consequent decline in the market share of the domestic industry, significant price undercutting, price suppression significant deterioration in profits, cash flow and return on investment to the domestic industry, prima facie, collectively and cumulatively indicate that the domestic industry has suffered material injury on account of dumping of subject goods from subject countries.

9. INITIATION OF ANTI DUMPING INVESTIGATIONS

The Designated Authority, in view of the foregoing paragraphs, initiates anti-dumping investigations into the existence, degree and effect of alleged dumping of the subject goods originating in or exported from the subject countries.

10. PERIOD OF INVESTIGATION (POI)

The Period of Investigation for the purpose of the present investigation is 1st January 2004 to 31st December 2004 (12 months).

11. SUBMISSION OF INFORMATION

The exporters in the subject countries and the importers in India known to be concerned with this investigation are being addressed separately to submit relevant information in the form and manner prescribed and to make their views known to the Designated Authority at the following address

Directorate General of Anti Dumping & Allied Duties,
Ministry of Commerce & Industry,
Department of Commerce,
Government of India,
Room No. 240,
Udyog Bhavan, New Delhi – 1100 11.

As per Rule 6(5) of Rule supra, the Designated Authority is also providing opportunity to the industrial users of the article under investigation, and to representative consumer organizations who can furnish information which is relevant to the investigation regarding dumping, injury and causality. Any other interested party may also make its submissions relevant to the investigation within the time limit set out below.

12. TIME LIMIT

a) General Time Limits

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 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. It may be noted that no request, whatsoever, shall be entertained for extension in the prescribed time limit.

b) Specific time limit for selection of market economy country

Interested parties to the investigation may wish to comment on the appropriateness of the USA which, as mentioned in the Para 5 of this initiation notification, is envisaged as a market economy country for the purpose of establishing normal value in respect of the China PR. These comments must be submitted within two weeks from the date of publication of this notification.

13. INSPECTION OF PUBLIC FILE

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

14. NON-COOPERATION

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.

(Christy L. Fernandez)
Designated Authority

