

To be published in Part-I Section I of the Gazette of India Extraordinary

**File No. 7/9/2022-DGTR
Government of India
Department of Commerce
Ministry of Commerce & Industry
(Directorate General of Trade Remedies)
4th Floor, Jeevan Tara Building,
5, Parliament Street, New Delhi – 110001**

Dated: 27th July 2022

INITIATION NOTIFICATION

Case No. - AD (AC) - 03/2022

Subject: Initiation of anti-circumvention investigation concerning alleged circumvention of anti-dumping duty imposed on imports of High Tenacity Polyester Yarn originating in or exported from China PR.

1. M/s Reliance Industries Limited (hereinafter referred to as the “Applicant” or the “Petitioner”) has filed an application before the Designated Authority (hereinafter also referred to as the “Authority”) in accordance with the Customs Tariff Act, 1975 as amended from time to time (hereinafter also referred as the “Act”) and the 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 also referred as the “Rules”), alleging that the anti-dumping duty imposed on imports of High Tenacity Polyester Yarn (hereinafter also referred to as “product under consideration” or “PUC” or “subject goods”), originating in or exported from China PR (hereinafter also referred to as the “subject country”) are being circumvented by way of changes in the description, name or composition of the subject goods.

A. BACKGROUND

2. The Designated Authority notified final findings recommending the definitive anti-dumping duty on import of High Tenacity Polyester Yarn originating in or exported from China PR vide Notification Number No 6/12/2017- DGAD dated 24th May 2018. The Ministry of Finance, thereafter, imposed the anti-dumping duty on the subject goods from China PR vide Notification No. 35/2018 – Customs (ADD) dated 9th July 2018.

B. PRODUCT UNDER CONSIDERATION

3. The product under consideration in the present investigation, as defined in the earlier investigation, is “High Tenacity Polyester Yarn” (also referred to as ‘HTPY’ or ‘IDY’ or

'product under consideration' or PUC or subject goods). The anti-dumping duty on imports of the product under consideration from China PR is in force till 8th July 2023.

4. The product under consideration is used for the manufacturing of tyre cord fabric, seat belt webbing, geo grid, geo slings, ropes, single cord, coated fabric, conveyer belt fabric, rubberized hose, fire hose, automatic hose etc. It is classified under Chapter 54 of the Customs Tariff Act 1975, under the customs tariff classification 5402 20 90.

C. PRODUCT UNDER INVESTIGATION (PUI)

5. The product under investigation which is allegedly circumventing the anti-dumping duty imposed on the product under consideration originating or imported from China PR are:

- a) High tenacity polyester yarns of less than 1000 denier, but more than 840 denier, both adhesive activated and others (PUI I).
- b) High tenacity polyester yarns of more than 6000 denier, but less than 7000 denier (PUI II).
- c) Adhesive activated high tenacity polyester yarns of more than 1000 denier, but less than 1300 denier (PUI III).

6. The product under investigation is also classified under Chapter 54 of the Custom Tariff Act, 1975 under the tariff code 5402 20 90. However, customs classification is indicative only and, in no way, binding on the scope of the investigations.

D. DOMESTIC INDUSTRY

7. The application has been filed by M/s. Reliance Industries Limited. The applicant is a major producer in India. The applicant has claimed that it is not related to any exporter or producer of the subject goods in the subject country or any importer of the product under consideration or product under investigation in India. The application is supported by Wellknown Polyesters Limited. On the basis of the information available, the Authority is satisfied that the application has been made 'by or on behalf of the domestic industry' in terms of Rule 2 (b) of the Rules.

E. GROUNDS FOR ALLEGED CIRCUMVENTION

8. The application for anti-circumvention investigation has been filed seeking extension of the aforesaid existing anti-dumping duty levied on product under consideration vide Notification No. 35/2018 – Customs (ADD) dated 9th July 2018 on imports of product under investigation on the basis of the following:

- a) The anti-dumping duty levied on the product under consideration is being circumvented by Chinese producers by exporting the product after altering the description, name or composition of the subject goods.

- b) While the product under consideration is produced and sold in standard deniers, yarn in abnormal deniers is being imported from China PR only to circumvent the duties in force.
- c) Brochures of major producers would show that such product under investigation is not offered for sale by any producer.
- d) The imports of product under investigation have increased only after the imposition of anti-dumping duty.
- e) Such product under investigation is being imported only from China PR. There are no imports of product under investigation from other countries.
- f) Even within China PR, the producers that were exempted from the duties in the original investigation are not exporting these deniers. The product under investigation is being exported only by the producers subject to duties.
- g) There was no demand for the product under investigation by the customers in India and even the Indian producers are not producing these deniers.

9. Having satisfied itself on the basis of the positive prima facie evidence submitted by the domestic industry, the Authority notes that there is a change in the pattern of trade, as a result of a practice, process or work for which there is insufficient cause or economic justification other than the imposition of the duty. The information submitted by the applicant prima facie indicates the remedial effects of the duty being undermined, and of dumping in relation to normal value previously established for the like product.

10. The domestic industry has also requested retrospective imposition of the anti-dumping duty on circumventing products, that is, PUI I, PUI II and PUI II from the date of initiation of the investigation.

F. INITIATION

11. On the basis of the duly substantiated application filed by the domestic industry regarding imports of PUI from China PR and having satisfied itself that there is a change in pattern of trade, alteration of name, description or composition for which there is a lack of economic justification, dumping, and because of that, trade remedial effects of the existing anti-dumping measure has been undermined in terms of decline in market share, the Authority hereby initiates an anti-circumvention investigation in accordance with Section 9A(1A) of the Act and Rule 25 of the Rules to consider extension of existing anti-dumping duty on imports of PUI , PUI II and PUI III from China PR in accordance with the Rule 27 (3) of the Rules. The Authority, therefore recommends provisional assessment on all imports of the PUI 1, PUI 2 and PUI 3 from China PR from the date of initiation of investigation.

G. PERIOD OF INVESTIGATION

12. The period of investigation (POI) for the present investigation is 1st April 2021 to 31st March 2022 (12 Months) and the injury period will cover the periods 1st April 2018 – 31st

March 2019, 1st April 2019 – 31st March 2020, 1st April 2020 – 31st March 2021 and the period of investigation.

H. CIRCUMVENTING COUNTRIES

13. The country involved in the circumvention of the anti-dumping duty in force is China PR.

I. SUBMISSION OF INFORMATION

14. In view of the special circumstances arising out of COVID-19 pandemic, all communication should be sent to investigating team via email at email address dd13-dgtr@gov.in and ad12-dgtr@gov.in with a copy to supervisor and mentor adg13-dgtr@gov.in adv12-dgtr@gov.in and dgtr-india@gov.in. It should be ensured that the narrative part of the submission is in searchable PDF/ MS Word format and data files are in MS Excel format.

15. The exporters in the subject country, the Government of the subject country through its Embassy in India, the importers and users in India known to be concerned with the product are being addressed separately to submit relevant information in the form and manner prescribed within the time limit set out below.

16. 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.

17. Any party making any confidential submission before the Authority is required to submit a non-confidential version of the same, to be made available to the other parties.

18. All the interested parties are requested to keep a track of the investigation via DGTR's website <https://www.dgtr.gov.in/>.

J. TIME LIMIT

19. Any information relating to the present investigation should be sent to the investigating team via email at the email addresses dd13-dgtr@gov.in and ad12-dgtr@gov.in with a copy to supervisor and mentor adg13-dgtr@gov.in, adv12-dgtr@gov.in and dgtr-india@gov.in within thirty days from the date of receipt of the notice as per Rule 6(4) of the Anti-Dumping Rules. It may, however, be noted that in terms of explanation of the said Rule, the notice calling for information and other documents shall be deemed to have been received within one week from the date on which it was sent by the Designated Authority or transmitted to the appropriate diplomatic representative of the exporting country. If no information is received within the prescribed time limit or the information received is incomplete, the Authority may record its findings on the basis of the facts available on record in accordance with the Rules.

20. All the interested parties are hereby advised to intimate their interest (including the nature of interest) in the instant matter and file their questionnaire responses within the above time limit.

K. SUBMISSION OF INFORMATION ON CONFIDENTIAL BASIS

21. Any party making any confidential submission or providing information on confidential basis before the Authority, is required to simultaneously submit a non-confidential version of the same in terms of Rule 7(2) of the Rules and the Trade Notices issued in this regard. Failure to adhere to the above may lead to rejection of the response / submissions.

22. The parties making any submission (including Appendices/Annexures attached thereto), before the Authority including questionnaire response, are required to file Confidential and Non-Confidential versions separately.

23. The “confidential” or “non-confidential” submissions must be clearly marked as “confidential” or “non-confidential” at the top of each page. Any submission made without such marking shall be treated as non-confidential by the Authority, and the Authority shall be at liberty to allow the other interested parties to inspect such submissions.

24. The confidential version shall contain all information which is by nature confidential and/or other information which the supplier of such information claims as confidential. For information which are claimed to be confidential by nature or the information on which confidentiality is claimed because of other reasons, the supplier of the information is required to provide a good cause statement along with the supplied information as to why such information cannot be disclosed.

25. The non-confidential version is required to be a replica of the confidential version with the confidential information preferably indexed or blanked out (in case indexation is not feasible) and summarized depending upon the information on which confidentiality is claimed. The non-confidential summary must be in sufficient detail to permit a reasonable understanding of the substance of the information furnished on confidential basis. However, in exceptional circumstances, the party submitting the confidential information may indicate that such information is not susceptible to summary, and a statement of reasons why summarization is not possible must be provided to the satisfaction of the Authority.

26. The Authority may accept or reject the request for confidentiality on examination of the nature of the information submitted. If the Authority is satisfied the request for confidentiality is not warranted or if the supplier of the information is either unwilling to make the information public or to authorize its disclosure in generalized or summary form, it may disregard such information.

27. Any submission made without a meaningful non-confidential version thereof or without good cause statement on the confidentiality claim shall not be taken on record by the Authority.

28. The Authority on being satisfied and accepting the need for confidentiality of the information provided, shall not disclose it to any party without specific authorization of the party providing such information.

L. INSPECTION OF PUBLIC FILE

29. A list of all registered interested parties will be uploaded on DGTR's website along with the request therein to all of them to email the non-confidential version of their submissions to all other interested parties since the public file will not be accessible physically due to ongoing global pandemic.

M. NON-COOPERATION

30. 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 declare such interested party as non-cooperative and record its findings on the basis of the facts available to it and make such recommendations to the Central Government as deemed fit.



(Anant Swarup)
Designated Authority