

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

F. No. 6/06/2022-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: 30th September 2022

INITIATION NOTIFICATION

Case No. OI- (06/2022)

Subject: Initiation of anti-dumping investigation concerning imports of “Viscose Rayon Filament Yarn (VFY)” originating in or exported from China PR.

1. Association of Man-Made Fibre Industry of India (hereinafter referred to as the “applicant association”) and Grasim Industries Limited (hereinafter referred to as “applicant domestic industry”) have filed an application before the Designated Authority (hereinafter also referred to as the “Authority”) in accordance with Customs Tariff Act, 1975 as amended from time to time (herein also 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 (hereinafter also referred to as the “Rules”) for initiation of an anti-dumping investigation and imposition of anti-dumping duty on imports of “Viscose Rayon Filament Yarn”, also known as VFY (hereinafter referred to as the “subject goods” or the “product under consideration”) originating in or exported from China PR (hereinafter referred to as the “subject country”). The Association of Man-Made Fibre Industry of India and Grasim Industries Limited together have been referred to as the applicant.
2. The applicant has claimed that the Chinese producers are resorting to dumping of the product in the country, the domestic industry has suffered injury and there is a causal link between dumping and injury to the domestic industry. The applicant has requested for imposition of anti-dumping duty on the imports of the subject goods originating in or exported from China PR.

A. Product under consideration (PUC)

3. The product under consideration in the present investigation is Viscose Rayon Filament Yarn/Thread classifiable under customs classification 5403, excluding Yarn produced through Spool Spun Technology. Only ready to use embroidery thread on small bobbin that can be installed on embroidery machine, and which is classifiable under customs classification 5401, is excluded from the scope of the present investigation. Further, both dyed and undyed yarn are within the scope of the product under consideration.
4. Viscose Rayon Filament Yarn can be produced by three processes, namely, Pot Spun Yarn (PSY), Continuous Spun Yarn (CSY) and Spool Spun Yarn (SSY). Yarn produced through each process finds usage in different segment because of different specifications. Scope of the product under consideration in the present investigation is restricted to the Viscose Rayon Filament Yarn produced through PSY and CSY technology. Viscose Rayon Filament Yarn produced through SSY technology is outside the scope of the product under consideration.
5. The applicant has stated that the product has been imported using a number of different descriptions and has provided a non-exhaustive list of different description that have been used by the importers while reporting imports. The scope of the product under consideration includes all possible descriptions of the product. The list of descriptions used while importing the product is given below. These constitute non exhaustive list of description of the product: -

| | |
|---------------------------------|---|
| Bamboo Csp Even | Continuous Even Bright High Glue (Undyed) |
| Bamboo Csp Even (Undyed) | Cotton Csp |
| Bamboo Csp Uneven | Cotton Csp Brt Cmc Undyed |
| Bamboo Csp Uneven (Undyed) | Cotton Csp Brt Hg Undyed |
| Bamboo Csp Uneven Dull | Cotton Even (Undyed) |
| Bamboo Pulp Brt Undyed | Cotton Pulp On Cone |
| Bamboo Pulp Dull Undyed | Cotton Pulp Undyed |
| Bright Dull White On Cone | Dull Cotton Pulp (Undyed) |
| Bright On Cone Silver Ring | Dull Wood Pulp |
| Bright Raw White On Cake | Egret Brand Continuous Bright Grade Even (Undyed) |
| Bright Raw White On Cone | Egret Brand Continuous Even Bright (Undyed) |
| Bright Rayon Twisted Yarn | Egret Brand Continuous Even Cg Grade Bright (Undyed) |
| Brt Cotton Pulp (Undyed) | Egret Brand Continuous Even Snow Cowrie Bright (Undyed) |
| Brt Csp Bamboo Even (Undyed) | Raw White Bright On Cake |
| Brt Csp Bamboo Hg Even (Undyed) | Raw White Bright On Cone Undyed |

| | |
|-----------------------------------|---|
| Brt Csp Bamboo Hg Uneven (Undyed) | Raw White Dull On Cone Undyed |
| Brt Csp Bamboo Uneven(Undyed) | Rayon Embroidery Thread Bright Dyed On Cone |
| Brt Csp Cotton Even (Undyed) | Rayon Embroidery Thread Bright Raw White |
| Brt Csp Cotton Undyed | Rayon Embroidery Thread Bright Raw White On Hank |
| Brt Csp Cotton Uneven(Undyed) | Rayon Embroidery Thread Bright Raw White On Hank Undyed |
| Brt Wood Pulp Undyed | Rayon Viscose Yarn (100% Virgin) Undyed |
| Centrifugal Bright (Undyed) | Rayon Viscose Yarn (100% Virgin) Undyed Raw White |
| Centrifugal Egret Brand Dull | Viscose Rayon Embroidery Thread In Hank (Undyed) |
| Continuous Egret Brand Bright | Viscose Rayon Embroidery Thread In Hank Raw White |
| Continuous Egret Bright | Viscose Rayon Embroidery Thread Raw White Bright On Hank Undyed |
| Continuous Egret Snow Bright | Viscose Rayon Filament Yarn, Various Deniers And Filaments |
| Wood Pulp On Cone Dull | Viscose Rayon Yarn (Raffia) Raw White 100% Dyeable Quality |

6. The product is classified under the Chapter 54 of the Customs Tariff Act, 1975 (51 of 1975) under subheadings of the tariff custom classification as 5403. The product is majorly imported under 54031000, 54031090, 54033100, 54033200, 54034110, 54034120, 54034130, 54034150, 54034170, 54034190. The customs classification is only indicative and is not binding on the scope of the product under consideration.

B. Like Article

7. The applicant has claimed that the goods produced by the domestic industry are identical to the subject goods being dumped into India. It has been further stated that there is no significant difference in the subject goods produced by the applicant domestic industry and those exported from the subject country. The applicant has claimed that VFY produced by the domestic industry and imported from the subject country are comparable in terms of physical & chemical characteristics, manufacturing process & technology, functions and uses, product specifications, pricing, distribution & marketing and tariff classification of the goods. The two are technically and commercially substitutable. The consumers have used and are using the two interchangeably. For the purpose of present investigation, the subject goods produced by the domestic industry are being treated as “like article” of the subject goods imported from the subject country.

C. PCN System

8. The PCN methodology proposed by the applicant for the investigation is as under: -

| Parameters | Proposed PCN | Code Sign |
|---------------------------------------|--|-------------------------|
| Technology employed in production. | a. Continuous Spun Yarn b. Pot Spun Yarn | a. CSY b. PSY |
| Denier of yarn | Actual denier | a. XXX |
| Number times product has been twisted | a. Untwisted b. One-time twisted c. Double twisted | a. UT b. OT c. DT |
| Dyed/ Undyed | a. Dyed b. Undyed | a. DY b. UNDY |

9. All interested parties to the investigation may provide their comments on the PUC as well as their proposal for construction of PCNs, if any, within 20 days from the issue of this notification.

D. Domestic industry & Standing

10. The application has been filed by the Association of Man-Made Fibre Industry of India. Grasim Industries Limited has provided data relating to injury to the domestic industry. M/s Grasim Industries Limited has claimed that it has neither imported the subject goods from the subject country nor is related to any exporter or producer of the subject goods in the subject country.
11. On the basis of the information available, the production of the Grasim Industries Limited accounts for a major proportion in the domestic production of the like article in India. Accordingly, on the basis of the information contained in the application, the Authority determines that the application has been made by or on behalf of the domestic industry in terms of the provisions of Rule 2(b) and Rule 5(3) of the Rules.

E. Basis of Alleged Dumping

a. Normal Value

12. The applicant has cited and relied upon Article 15(a) (i) of China's Accession Protocol. The applicant has claimed that the producers in China PR must be asked to demonstrate that market economy conditions prevail in the industry producing the subject goods with regard to the manufacture, production and sale of the product under consideration. It has been stated by the applicant that in case the responding Chinese producers are not able to demonstrate that their costs and price information are market driven, the normal value

should be calculated in terms of provisions of para 7 and 8 of Annexure I to the Rules. The normal value has accordingly been determined in terms of Para 7 of Annexure I to the Rules.

13. The applicant has claimed that the product under consideration is produced majorly in China and India with very minor production happening in European Union. The applicant has claimed that the normal value could not be calculated based on the prices or costs in market economy third country. The applicant has constructed normal value for China PR on the basis of estimates of cost of production, with reasonable addition for selling, general & administrative expenses, and profits. The Authority has, for the purpose of initiation, considered the normal value as proposed by the applicant.

b. Export Price

14. The applicant has adopted the CIF price based on market field research. The Authority has for the purpose of initiation, considered the information provided by the applicant.
15. The export price for the subject country has been adjusted for ocean freight, marine insurance, commission, inland freight expenses, port expenses and bank charges to determine the ex-factory export price.

c. Dumping Margin

16. The normal value and the export price have been compared at ex-factory level, which shows dumping margin is not only above the de-minimis level but also significant. There is sufficient prima facie evidence that the subject goods are being dumped into the Indian market by the exporters from the subject country.

F. Evidence of injury and causal link

17. Information furnished by the applicant has been considered for assessment of injury to the applicant domestic industry. The applicant has provided *prima facie* evidence with respect to the injury suffered by the domestic industry because of the alleged dumped imports in the form of increased volume of dumped imports in absolute as well as in relative terms in comparison to the production and consumption in India, decline in market share of the domestic industry and increase in the share of dumped imports. It has been *prima facie* established that the performance of the domestic industry has been adversely impacted in respect of parameters such as production, capacity utilization, profits, return on capital employed and cash flow, as a result of dumped imports from the subject country. There is sufficient prima facie evidence of material injury being caused to the domestic industry by dumped imports from the subject country to justify initiation of an anti-dumping investigation.

G. Initiation of Anti-Dumping Investigation

18. On the basis of the duly substantiated written application filed by or on behalf of the domestic industry, and having satisfied itself, on the basis of the prima facie evidence submitted by the applicant, about dumping of the subject goods originating in or exported from the subject country, injury to the domestic industry and causal link between such alleged dumping and injury, and in accordance with Section 9A of the Act read with Rule 5 of the Rules, the Authority hereby initiates an investigation to determine the existence, degree and effect of alleged dumping in respect of the subject goods originating in or exported from the subject country and to recommend the amount of anti-dumping duty, which, if levied, would be adequate to remove the injury to the domestic industry.

H. Subject country

19. The subject country for this investigation is China PR.

I. Period of investigation (POI)

20. The period of investigation for the purpose of present investigation is 1st April 2021 to 31st March 2022 (period of 12 months). The injury investigation period will cover the periods 2018-19, 2019-20, 2020-21 and the period of investigation.

J. Procedure

21. Principles as given in Rule 6 of the Rules will be followed for the present investigation.

K. Submission of information

22. In view of the special circumstances arising out of COVID-19 pandemic, all communication should be sent to the Designated Authority via email at email address dd13-dgtr@gov.in and ad12-dgtr@gov.in with a copy to adg13-dgtr@gov.in and adv12-dgtr@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.
23. The known exporters, their Government through their Embassy in India, the importers and users in India known to be concerned with the subject goods and the domestic other producers are being informed separately to enable them to file all the relevant information in the form and manner prescribed within the time-limit set out below.

24. Any other interested party may also make its submissions relevant to the investigation in the form and manner prescribed within the time-limit set out below on the email address mentioned in Para 19 above.
25. Any party making any confidential submission before the Authority is required to make a non-confidential version of the same available to the other parties.
26. Interested parties are further advised to keep a regular watch on the official website of the Designated Authority <http://www.dgtr.gov.in/> for any updated information with respect to this investigation.

L. Time Limit

27. Any information relating to the present investigation should be sent to the Designated Authority via email at the email addresses dd13-dgtr@gov.in and ad12-dgtr@gov.in with a copy to adg13-dgtr@gov.in and adv12-dgtr@gov.in within thirty days (30 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 to 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 based on the facts available on record in accordance with the Rules.
28. 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.

M. Submission of information on confidential basis

29. 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
30. 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.

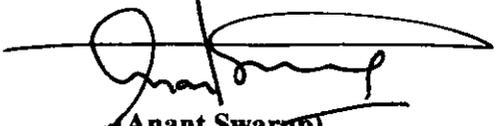
31. The “confidential” or “non-confidential” submissions must be clearly marked as “confidential” or “non-confidential” at the top of each page. Any submission made without such marking shall be treated as non-confidential by the Authority, and the Authority shall be at liberty to, allow the other interested parties to inspect such submissions.
32. 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.
33. 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. The other interested parties can comment on the confidentiality claimed within seven (7) days of receiving the non-confidential version of the documents.
34. 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.
35. 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.
36. 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.

N. Inspection of Public File

37. In terms of Rule 6(7) of the Rules, any interested party may inspect the public file containing non-confidential version of the evidence submitted by other interested parties. The modality of maintaining public file in electronic mode is being worked out.

O. Non-cooperation

38. 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.


(Anant Swarup)
Designated Authority