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F. No. 7/21/2022-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.AD (SSR) - 10/2022)

Subject: Initiation of sunset review of anti-dumping duty imposed on imports of 'High Tenacity Polyester Yarn' from China PR.

F. No. 7/21/2022-DGTR-Having regards to the Customs Tariff Act, 1975, as amended from time to time (hereinafter also referred to 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 to as the "Rules" or the "Anti-Dumping Rules"), M/s Reliance Industries Limited (hereinafter referred to as the 'applicant' or 'domestic industry') has filed an application before the Designated Authority (hereinafter also referred to as the "Authority") for sunset review investigation of antidumping duty on imports of "High Tenacity Polyester Yarn" (hereinafter also referred to as the 'subject goods' or the 'product under consideration') originating in or exported from China PR (hereinafter also referred to as the 'subject country'), and continuation of duty on imports of product under consideration, as well as extension of such duties on imports of the product under investigation in the anti-circumvention investigation initiated on 27th July 2022.

In terms of Section 9A, (5) of the Act, the anti-dumping duty imposed shall, unless revoked earlier, cease to have effect on expiry of five years from the date of such imposition and the Authority is required to review whether the expiry of the duty is likely to lead to continuation or recurrence of dumping and injury. In accordance with the same, the Authority is required to review, on the basis of a duly substantiated request made by or on behalf of the domestic industry as to whether the expiry of the duty is likely to lead to continuation or recurrence of dumping and injury.

A. Background of the Previous Investigation

1. The original anti-dumping investigation concerning imports of the subject goods from the subject country was initiated by the Authority vide notification No. 6/12/2017-DGAD on 15th June 2017. In the same investigation, the final finding was issued vide notification No. 06/12/2017-DGAD dated 24th May 2018 confirming imposition of definitive anti-dumping duties on the imports of the subject goods from the subject country, which were implemented vide Customs Notification No. 35/2018 –Customs (ADD) dated 9th July 2018. The said duties were levied for a period of 5 years and are set to expire on 8th July 2023.
2. The applicant requested the Designated Authority to initiate an anti-circumvention investigation. Based on the duly substantiated application filed by the applicant, the Authority vide Notification dated 27th July 2022 initiated an anti-circumvention investigation on imports of High Tenacity Polyester Yarn of abnormal deniers from China. The applicant requested that the scope of the present sunset review be extended to include the product under investigation in the abovesaid anti-circumvention investigation.

B. Product under consideration (PUC)

3. The product under consideration in the present investigation is “High Tenacity Polyester Yarn” also known as Polyester Industrial Yarn (PIY) or Industrial Yarn (IDY) in the market parlance. The product scope excludes yarns having denier below 1000, denier above 6000, twisted yarns, colored yarns, adhesive activated yarns with denier higher than 1000 and yarns with HMLS properties. The scope of the PUC remains the same as in the original investigation.
4. The anti-circumvention investigation was initiated on 27th July 2022. The following products (hereinafter also referred to as the "circumventing products") are being imported into India, after alteration of name, description or composition and formed the scope of the product under investigation of the circumvention investigation:
 - a) High tenacity polyester yarns of less than 1000 deniers, but more than 840 deniers, both adhesive activated and others.
 - b) High tenacity polyester yarns of more than 6000 denier, but less than 7000 deniers.
 - c) Adhesive activated high tenacity polyester yarns of more than 1000 deniers, but less than 1300 deniers.
5. The subject goods are generally used in manufacturing of tyre cord fabric, seat belt webbing, geo grid, geo strip, slings, ropes, single cord, coated fabric, conveyor belt fabric, rubberised hose, fire hose, automotive hose, etc.

6. The subject goods are classified under Chapter 54, under tariff code 5402 20 90. The customs classification is indicative only and, in no way, binding on the scope of the subject investigation.
7. The applicant has suggested to undertake a PCN wise comparison in the present case. The Authority had notified the following PCN methodology in the original investigation and the applicant requested that the same may be considered in the present investigation as well. All interested parties are requested to offer comments, if any, on PCN suggested by the applicant within 15 days from the date of the issue of this notification.

S. No.	Parameter	PCN DIGIT	Explanation
1	Denier	XXXX (4 Digits)	0000 = Unknown, 1000 = 1000 Denier, 2200 =Denier, ...and so on
2	Type	XX (2 Digits)	HT - High Tenacity
			HM - High Modulus Low Shrinkage (HMLS)
			LS - Low Shrinkage
			OT – Others
3	Coating	XX (2 Digits)	AA - Adhesive Activated
			NA – Non-Adhesive Activated

C. Like Article

8. The applicant has claimed that there is no significant difference in the product produced by the domestic industry and the one exported from the subject country. The product produced by the domestic industry and imported from the subject country are comparable in terms of characteristics such as physical & chemical 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 are used by consumers interchangeably. Further, the present application is for sunset review investigation for the continued imposition of anti-dumping duty. The issue of like article has been examined by the Authority in the previous investigation as well. The product produced by the domestic industry is like article to the product under consideration produced and imported from subject country.

D. Domestic Industry and Standing

9. The application has been filed by M/s. Reliance Industries Limited. As claimed by the applicant SRF Limited, Fairdeal Multifilament Pvt. Limited, Sanathan Textiles Private Limited, Wellknown Polyesters Limited and Ferretero India Private Limited apart from the applicant, are also engaged in the production of like article. The applicant has further certified that it has not imported the subject goods nor is related to the exporters from the subject country or importers in India.
10. In view of the same, and based on the information available on record, the Authority is satisfied that the application has been made 'by or on behalf of the domestic industry' and satisfies the requirements of standing in terms of Rule 5(3), even though the requirements of Rule 5(3) are not applicable in sunset review application, and the applicant constitutes domestic industry within the meaning of Rule 2(b).

E. Subject Country

11. The country involved in the present sunset review investigation is China PR.

F. Likelihood of continuation or recurrence of dumping

i. Normal value

12. The applicant has claimed that China PR should be treated as a non-market economy and 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 of Annexure I to the Rules.
13. The applicant proposed that normal value can be determined based on the price payable in India. For this purpose, the applicant has submitted cost of production in India, with addition for selling, general and administrative expenses and reasonable profits. The normal value has accordingly been determined for the purpose of the initiation of the instant investigation.
14. The interested parties are advised to offer their comments, and make duly substantiated claims with regard to methodology to be adopted for determination of normal value, having regard to the provisions of para-7 and 8 of Annexure-I within the time limits prescribed in this notification.

ii. Export price

15. The applicant has adopted the CIF price reported for imports in India, as DG Systems, for determination of net export price, since the DGCI&S data is inaccessible.
16. The following adjustments have been claimed to the CIF prices in order to determine the ex-factory export price:
 - a. Ocean freight
 - b. Marine insurance
 - c. Commission
 - d. Inland freight
 - e. Port expenses
 - f. Bank charges.
17. Thus, for the purpose of initiation of this investigation, the export price has been determined based on the methodology as proposed by the applicant.

iii. Dumping margin

18. Considering the normal value and export price determined as above, dumping margin has been determined, in accordance with Section 9 A(1)(a) of the Customs Tariff Act, 1975. It is noted that dumping margin is not only above *de minimis* level, but also significant. There is *prima facie* evidence that normal value of the subject goods in the subject country are significantly higher than the net export prices, indicating that the subject goods originating in or exported from the subject country are being exported at dumped prices, thus, indicating continued dumping so as to justify initiation of investigation.

G. Likelihood of continuation or recurrence of injury

19. There is *prima facie* evidence of continuation of dumping and consequent injury on account of continued significant share of dumped imports in total demand, price undercutting, circumvention of the existing duty by way of alteration of name, description and composition of the PUC, inability of the applicant to compete at fair prices, continued dumping of the subject goods from China, idle capacities held by the producers in China, measures imposed by other countries, significant and growing capacities with Chinese producers, and likely injury to the domestic industry in the event of cessation of duties. The information provided by the applicant, *prima facie*, shows continuation of dumping of the subject goods from the subject country, and likelihood of injury to domestic industry in case of cessation of the anti-dumping duty.

H. Initiation of sunset review investigation

20. On the basis of the duly substantiated application of the applicant, and having satisfied itself, on the basis of *prima facie* evidence submitted by the applicant, substantiating the likelihood of continuation/ recurrence of dumping and injury, and in accordance with Section 9A(5) of the Act read with Rule 23 (1B) of the Rules, the Authority hereby initiates a sunset review investigation to review the need for continued imposition of the duties in force in respect of the subject goods, originating in or exported from the subject country and to examine whether the expiry of such duty is likely to lead to continuation or recurrence of dumping and injury to the domestic industry.

I. Period of Investigation (POI)

21. The period of investigation (POI) for the present investigation is 1st April 2021 to 31st March 2022. The injury investigation period will cover the periods 2018-19, 2019-20, 2020-21 and the period of investigation. The data beyond the period of investigation may also be examined to determine the likelihood of dumping and injury.

J. Procedure

22. The present review covers all aspects of the final findings of the original investigations published vide Notification No. 06/12/2017-DGAD dated 24th May 2018. The provisions of Rules 6,7,8,9, 10, 11, 16, 17,18,19 and 20 of the Rules shall be mutatis mutandis applicable in this review.

K. Submission of information

23. 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, jd12-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.
24. 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 industry 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.

25. 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 25 above.
26. 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.
27. Interested parties are further advised to keep a regular watch on the official website of the Designated Authority <https://www.dgtr.gov.in/> for any updated information with respect to this investigation.

L. Time Limit

28. Any information relating to the present investigation should be sent to the Designated Authority via email at the email addresses adg13-dgtr@gov.in, adv12-dgtr@gov.in, jd12-dgtr@gov.in and ad12-dgtr@gov.in within thirty (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 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.
29. 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

30. 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.

31. 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.
32. 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.
33. The confidential version shall contain all the 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.
34. 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 offer their comments on the confidentiality claimed within 7 days of receiving the non-confidential version of the document.
35. 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.
36. 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.

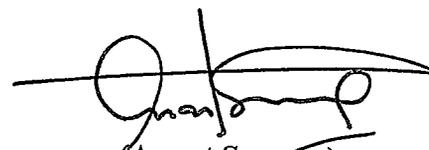
37. The Authority on being satisfied and accepting the need for confidentiality of the information provided, shall not disclose it to any party without specific authorization of the party providing such information.

N. Inspection of Public File

38. 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

39. 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