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No. 14/50/2016-DGAD
Government of India Department of
Commerce Ministry of Commerce & Industry
(Directorate General of Anti-Dumping & Allied Duties)
4th Floor Jeevan Tara Building, Parliament Street, New Delhi 110001

Dated the 19th April, 2017

INITIATION NOTIFICATION

Case No. OI- 22/2017

Subject: Anti-Dumping investigation concerning imports of “Acrylic Fibre” originating in or exported from People’s Republic of China, Belarus, Ukraine, European Union and Peru.

No. 14/50/2016-DGAD Whereas, M/s Indian Acrylics Limited and M/s Pasupati Acrylon Ltd (hereinafter referred to as the applicant) jointly filed an application before the Designated Authority (hereinafter also referred to as the Authority) in accordance with the Customs Tariff Act, 1975 (hereinafter 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) as amended from time to time, for initiation of anti-dumping investigation and imposition of anti-dumping duty concerning imports of “Acrylic Fibre” originating in or exported from People’s Republic of China, Belarus, Ukraine, European Union and Peru (also referred to as the Subject Countries).

2. And whereas, the Authority finding sufficient *prima facie* 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’ exists justifying initiation of an anti-dumping investigation, hereby initiates an investigation into the alleged dumping, and consequent injury to the domestic industry in terms of para 5 of the Rules, to determine the existence, degree and effect of alleged dumping and to consider recommending an amount of antidumping duty, which if levied, would be adequate to remove the ‘injury’ to the domestic industry.

A. Product under consideration and Like Articles

3. The product under consideration in the present application is Acrylic Fibre of all types (hereinafter referred as subject goods). Acrylic Fibre is a long chain of synthetic polymer composed of at least 90% by weight of Acrylonitrile units (major raw material for production). The terms acrylic fibre includes acrylic staple, acrylic tow and acrylic top. In other words, acrylic staple fibre, acrylic tow and acrylic top are known as acrylic fibre in the commercial parlance.

4. Acrylic Fibre can be acrylic staple fibre, acrylic tow or acrylic top. The only difference between acrylic staple fibre and acrylic tow is the difference in length. In case of length more than 2 Meters, it is known as tow and in case of cut lengths, it is known as staple fibre. All forms of acrylic fibre are within the scope of the product under consideration.
5. Acrylic fibre is lightweight, soft, and warm, with a wool-like feel. Its fibers are very resilient and shows high resistance to acids and alkalies compared to both other synthetics and natural fibers. Acrylic Fibre is an economical substitute of wool.
6. Subject goods are classified under chapter 55 of Customs Tariff Act, 1975 under the sub-heading 5501,5503 and 5506 at 4-digit level. The product is covered under HS code 550130, 550330 and 550630. The Customs classification is indicative only and not binding on the scope of investigation.

B. Domestic Industry & Standing

7. The application has been jointly filed by M/s Indian Acrylics Limited and M/s Pasupati Acrylon Ltd. There is one more producer namely M/s Vardhman Acrylics Limited. The company has imported significant volumes of subject goods from Europe. One of the applicant company has imported insignificant quantity of the subject goods from non-subject countries i.e. Thailand under advance license. Applicants have declared that they are neither related to producer of subject goods in the subject countries nor to an importer of subject goods from subject countries. The Authority holds that the applicant companies constitute eligible domestic industry in terms of Rule 2 (b) and the application satisfies the criteria of standing in terms of Rule 5(3) of the Rules supra.

C. Like Article

8. The applicant has claimed that there is no known difference between the subject goods exported from the subject countries and that produced by the domestic industry. Subject goods produced by the domestic industry and imported from the subject countries are comparable in terms of essential product characteristics such as physical & chemical characteristics, manufacturing process & technology, functions & uses, product specifications, pricing, distribution & marketing and tariff classification of the goods. Consumers use the two interchangeably. The applicant has further claimed that the two are technically and commercially substitutable and, hence, should be treated as 'like article' under the Rules. Therefore, for the purpose of the present investigation, the Authority treats the subject goods produced by the domestic industry in India as 'Like Article' to the subject goods being imported from the subject countries.

D. Countries involved and de minimis limits

9. The application has been filed in respect of the dumping of Acrylic Fibre from People's Republic of China, Belarus, Ukraine, European Union and Peru. The imports from each of the subject countries are above de minimis limits. Apart from the subject countries imports are also taking place from Thailand which is attracting Anti-Dumping Duty. The present investigation is with respect to only People's Republic of China, Belarus, Ukraine, European Union and Peru (hereinafter referred to as subject countries).

E. Normal value

10. The applicant has claimed that in the absence of availability of reliable information in the public domain on domestic prices of the subject goods in the subject countries, the normal values in the subject countries have been estimated on the basis of cost of production, taking into account prevailing prices of raw materials and utilities in subject countries, conversion costs of the most efficient domestic industry, and duly adjusted selling, general & administration expenses, plus a reasonable profit.

F. Export price

11. The export price has been determined on the basis of import data obtained from DGCI&S for the period of investigation proposed by the applicants . The net ex-factory export prices have been determined after due adjustments towards ocean freight, marine insurance, port expenses, inland freight, commission and bank charges, and VAT adjustments, wherever applicable.

G. Dumping margin

12. The normal value has been compared with export price at ex- factory level. There is sufficient *prima facie* evidence that the normal value of the subject goods in the subject countries is higher than the ex -export price, showing that the subject goods are being dumped into the Indian market by the exporters of the subject countries. The dumping margin is estimated to be above *de minimis*.

H. Evidence of Injury and Causal Link

13. The applicant has claimed that they have suffered material injury as evidenced by volume and price impact of the dumped imports from the subject countries. Information provided by the applicants shows that there has been significant increase in the volume of dumped imports during the period under examination despite moderation of demand in the country and availability of capacity in the country. The imports are *prima facie* undercutting the domestic prices and the same has led to price depression in the market. The production, capacity utilization, profits, return on investment and cash flow of the domestic industry has declined. The decline is more pronounced within the investigation period. Therefore, *prima facie* it appears that the applicant domestic industry is suffering material injury as a result of dumped imports.

I. Initiation of the Investigation

14. The Authority finds sufficient *prima facie* 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, to justify initiation of an anti-dumping investigation to determine the existence, degree and effect of alleged dumping and to recommend the amount of antidumping duty, which if levied, would be adequate to remove the 'injury' to the domestic industry. Accordingly, the Authority hereby initiates an investigation into the alleged dumping and consequent injury to the domestic industry in terms of Para 5 of the Rules.

J. Period of Investigation (POI)

15. The period of investigation proposed by the applicants is 1st July 2016 to 31st December 2016, However, the Authority has taken the period of investigation as 1st April 2016 to 31st March 2017 (12 Months). The injury investigation period shall cover the periods 2013-14, 2014-15, 2015-16 and the period of investigation.

K. Submission of Information

16. The known producers/exporters in the subject countries, their governments through their Embassies in India, the known importers and users in India, and the domestic industry are being addressed separately to submit relevant information in the form and manner prescribed and to make their views known to the Authority at the following address, so as to enable the Authority make appropriate determinations in a timely manner:

The Designated Authority

Directorate General of Anti-Dumping & Allied Duties

Department of Commerce, Jeevan

Tara Building, 4th Floor, Parliament

Street, New Delhi -110001

dgad.india@gov.in

17. Any other interested party may also make its submissions, relevant to the investigation, in the prescribed form and manner (downloadable from the website of the Authority at (www.dgtr.gov.in)) within the time limit set out below.

L. Time Limit

18. All the interested parties are hereby advised to intimate their interest (including the nature of interest) in the instant matter within 2 weeks from the date of this notification and file their questionnaire responses and offer their comments to the domestic industry's application within forty days (40 days) from the date of publication of this Notification. The information must be submitted in hard copies as well as soft copies.
19. It may be noted that if no information is received from an interested party 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.

M. Submission of information on confidential basis

20. The parties making any submission (including Appendices/Annexure attached thereto), before the authority, including questionnaire response on confidential basis, are required to file a non-confidential version of the submissions made, which will be made available to all other interested parties to make their comments. Soft copies of both the versions will also be required to be submitted, along with the hard copies, in two (2) sets of each.
21. The "confidential" or "non-confidential" submissions must be clearly marked so at the top of each page. Any submission made without such marking shall be treated as

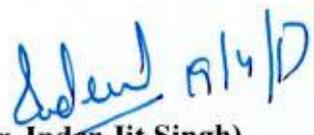
22. The confidential version may contain all information which are by nature confidential and/or other information which the supplier of such information claims as business proprietary information, disclosure of which will adversely affect the commercial interest of the supplier of such information. For information which is 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.
23. 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, the information may be 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, party submitting the confidential information may indicate that such information is not susceptible to summary, and a statement of reason why summarization is not possible, must be provided to the satisfaction of the Authority. Any submission made without a meaningful non-confidential version thereof or without a good cause statement on the confidentiality claim shall not be taken on record by the Authority
24. The Authority may accept or reject the request for confidentiality on examination of the nature of the information submitted. If the Authority is satisfied that the request for confidentiality is not warranted, or if the supplier of the information is either not willing to make the information public, or to authorize its disclosure in generalized or summary form, it may disregard such information. 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

25. In terms of Rule 6(7) of the AD Rules, any interested party may inspect the public file containing non-confidential version of the evidence submitted by all interested parties to the investigation.

O Non-cooperation

26. 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 with it and make such recommendations to the Central Government as it deems fit.


(Dr. Inder Jit Singh)
Designated Authority