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**No. 7/04/2021-DGTR
Government of India
Ministry of Commerce & Industry
(Directorate General of Trade Remedies)
4th Floor, Jeevan Tara Building, 5, Parliament Street, New Delhi - 110001**

Dated: 24.03.2021

INITIATION NOTIFICATION

(Case No. AD (SSR) – 04/2021)

Subject: Initiation of sunset review investigation concerning imports of PVC Flex Film originating in or exported from China PR

1. All India Laminated Fabric Manufacturers Association (hereinafter also referred to as the “Applicant”) has filed an application before the Designated Authority (hereinafter also referred to as the “Authority”) on behalf of Pioneer Polyleathers Limited, Qrex Flex Private Limited and SRF Limited (hereinafter also referred to as the “applicant producers”) in accordance with the Customs Tariff Act, 1975 as amended from time to time (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 as amended from time to time (hereinafter also referred to as the “Rules”) for initiation of sunset review investigation concerning imports of PVC Flex Film (hereinafter referred to as the “subject goods” or “product under consideration”), originating in or exported from China PR (hereinafter also referred to as “subject country”).
2. The applicant has alleged that dumping from the subject country has continued even after the imposition of anti-dumping duty and that there is likelihood of continuation / recurrence of dumping and injury in case of cessation of duties. The applicant has requested for extension of duties on imports of subject goods, originating in or exported from the subject country.

Background

3. The original anti-dumping investigation concerning imports of PVC Flex Film from subject country was initiated on 1st February 2010 by the Designated Authority. The Designated Authority recommended provisional anti-dumping duty vide preliminary findings dated 22nd June 2010, which was imposed vide Notification No. 79/2010-Customs, dated 30th July 2010. Pursuant to detailed investigation, the Designated Authority recommended imposition of definitive anti-dumping duties on imports of the subject goods from the subject country vide final findings notification no. 14/4/2010-DGAD, dated 29th July 2011. The recommendations of the Designated Authority were implemented vide Notification No. 82/2011-Customs, dated

25th August 2011.

4. The Authority initiated sunset review investigation on 27th July 2015 and recommended continuation of anti-dumping duties in its final findings in Notification No. 15/13/2015-DGAD, dated 30th June 2016. The Ministry of Finance gave effect to said final findings vide Notification No. 42/2016-Customs (ADD), dated 8th August 2016. The existing duties will expire on 7th August 2021.

Product under consideration

5. The scope of product under consideration in the present investigation is “PVC Flex Film”, also known as PVC Flex banner and PVC flex Sheets for advertising signage, billboards and PVC Flex Tarpaulin, etc. The following are excluded from the scope of product under consideration.
 - i. PVC Films
 - ii. PVC Rigid Films
 - iii. Cotton/ Canvas Tarpaulins
 - iv. Self-adhesive Vinyl
 - v. One way vision film/ perforated window film
 - vi. Coloured vinyl
 - vii. Mesh Banner/ Fabric
6. PVC Flex film is a multi-layered PVC Film with sandwich lamination of reinforcements textile. The major raw materials required for production are PVC Resin (suspension grade) and DOP. PVC Flex film can be produced either using lamination process or coating process. Under the lamination process, the raw materials along with lubricants, stabilizers, brightening agent, calcium carbonate and other additives are mixed through manual/auto mixers to make PVC compound. The PVC compound is transferred onto a calendar to produce PVC Film. Finally, two layers of PVC film (top and bottom film) are fed along with polyester fabric at the laminators wherein the fabric is sandwiched between two layers of PVC films and is laminated by heat to make a laminated flex film.
7. In the coating process wherein PVC flex film is produced by coating the polyester fabric with PVC. In the earlier investigations, it was concluded that products produced using lamination process or coating process are technically and commercially substitutable.
8. The product is classifiable under Chapter 39 under tariff codes 3920 43 00, 3920 49 00, 3921 12 00 and 3921 90 26. However, the product under consideration has also been imported under tariff codes 3920 99 22, 3920 99 29, 3920 99 32, 3930 99 39 and 3921 90 29. The customs classification is only indicative and is not binding on the scope of the present investigation.

Like article

9. The applicant has claimed that the goods produced by the domestic industry are identical to the subject goods exported to India. Subject goods produced by the domestic industry are

comparable to the imported goods from subject country in terms of technical specifications, manufacturing process & technology, functions & uses, pricing, distribution & marketing and tariff classification of the goods. The two are technically and commercially substitutable and should be treated as 'like article' under the Rules. Therefore, for the purpose of the present investigation, the subject goods produced by the domestic industry are being treated as 'Like Article' to the subject goods being imported from the subject country.

Domestic industry

10. The application has been filed by All India Laminated Fabric Manufacturers Association (AILFMA) on behalf of the domestic producers. The following producers have provided their costing and injury information for the purposes of the application.
 - a. Pioneer Polyleathers Limited,
 - b. Qrex Flex Private Limited and
 - c. SRF Limited.

The applicant producers have neither imported the subject goods from the subject country nor are they related to any exporter or producer of the subject goods in the subject country or importer in India.

11. As per evidence available on record, the applicant producers account for a major proportion in the domestic production of the like article in India. On the basis of information available, the Authority has considered the applicant producers as domestic industry within the meaning of the Rule 2(b) of the Rules.

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 producers in China PR must be asked to demonstrate that market economy conditions prevail in their industry producing the like product 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 Rules.
13. The applicant has claimed the normal value for China PR based on the price of exports from an appropriate third country, Korea RP, to India. For the purpose of initiation, the Authority has considered the normal value claimed by the applicant. The interested parties may offer their comments with regard to selection of Korea RP as the appropriate third country.

b. Export price

14. The export price for subject goods for the subject country has been computed based on the Directorate General of Commercial Intelligence and Statistics (DGCI&S) transaction-wise import data. Price adjustments have been made for ocean freight, marine insurance, commission, port expenses and inland freight expenses.

c. Dumping margin

15. Considering the normal value and export price determined as above, dumping margin has been determined, 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 is significantly higher than the net export prices, thereby indicating that the subject goods originating in or exported from the subject country have continued to be exported at dumped prices, in spite of anti-dumping duty in force.

Likelihood of continuation / recurrence of dumping and injury

16. There is prima facie evidence of likelihood of continuation / recurrence of dumping and injury to the domestic industry. The applicant has claimed that the imports have declined only due to the duties in force.

Initiation of sunset review investigation

17. On the basis of the duly substantiated written application by or on behalf of the domestic industry, and having satisfied itself, on the basis of the prima facie evidence submitted by the domestic industry, substantiating likelihood of continuation / recurrence of dumping of product under consideration originating in or exported from the subject country and injury to the domestic industry, and in accordance with Section 9A of the Act read with Rule 23 of the Rules, the Authority, hereby, initiates a sunset review investigation to review the need for continued imposition of 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.

Subject Country

18. The subject country for the present investigation is China PR.

Period of Investigation (POI)

19. The period of investigation (POI) in the present investigation is as 1st October 2019 to 30th September 2020 (12 months). The injury investigation period will cover the periods April 2017 – March 2018, April 2018 – March 2019, April 2019 – March 2020 and the period of investigation.

Procedure

20. The review investigation will cover all aspects of the final findings published vide Notification No. 15/13/2015-DGAD, dated 30th June 2016 recommending continuation of anti-dumping duty on imports of PVC Flex Film from China PR. The Authority will also undertake likelihood analysis of dumping and injury.
21. The provisions of Rule 6, 7, 8, 9, 10, 11, 16, 17, 18, 19 and 20 of the Rules shall be mutatis mutandis applicable in this review.

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 the email addresses adg12-dgtr@gov.in, adv11-dgtr@gov.in, dir13-dgtr@gov.in and jd15-dgtr@gov.in.
23. The known producers/exporters in the subject country, Government of the subject country through its 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.
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.
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.

Time Limit

27. Any information relating to the present investigation should be sent to the Designated Authority via email at the email addresses adg12-dgtr@gov.in, adv11-dgtr@gov.in, dir13-dgtr@gov.in and jd15-dgtr@gov.in within 30 days from the date of receipt of the notice as per as Rule 6(4) of the Rules. 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.
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.

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. 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.
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 in 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.

Sharing of responses / submissions amongst interested parties

37. A list of 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 interested parties since the public file will not be accessible physically due to ongoing global pandemic.

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 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