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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: 20.01.2020

INITIATION NOTIFICATION

(Case No.OI-31/2019)

Subject: Initiation of anti-dumping investigation concerning imports of “Newsprint in rolls or sheets, excluding glazed newsprint” originating in or exported from Australia, Canada, European Union, Hong Kong, Russia, Singapore and United Arab Emirates.

1. Indian Newsprint Manufacturers Association (hereinafter referred to as the “Applicant”), has filed an application before the Designated Authority (hereinafter also referred to as the “Authority”) on behalf of domestic industry, 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 original anti-dumping duty investigation on imports of “Newsprint, in rolls or sheets, excluding glazed newsprint” (hereinafter referred as “product under consideration” or PUC or “subject goods”) originating in or exported from Australia, Canada, European Union, Hong Kong, Korea RP, New Zealand, Russia, Singapore and United Arab Emirates.

Subject Countries

2. The Applicant has claimed dumping and injury from Australia, Canada, European Union, Hong Kong, Korea RP, Russia, Singapore, New Zealand and United Arab Emirates. However, landed value of imports from New Zealand & Korea RP based on DGCI&S import data indicates that injury margin is negative. Accordingly, the subject countries for the present investigation are Australia, Canada, European Union, Hong Kong, Russia, Singapore and United Arab Emirates.

Product under consideration

3. The product under consideration is newsprint in rolls or sheets, excluding glazed newsprint.

4. Newsprint is an uncoated paper of a kind used for the printing of newspapers, of which not less than 50% by weight of the total fibre content consists of wood fibres obtained by a mechanical or chemi-mechanical process, unsized or very lightly sized, having a surface roughness Parker Print Surf (1 Mpa) on each side exceeding 2.5 micrometres (microns), weighing not less than 40 g/m² and not more than 65 g/m² and;
 - a. in strips or rolls of a width exceeding 28 cm; or
 - b. in rectangular (including square) sheets with one side exceeding 28 cm and the other side exceeding 15 cm in the unfolded state.
5. The PUC may be denominated in terms of area expressed as square metre or weight expressed in kgs or MT. For the purpose of initiation, the data has been considered as denominated by weight in MT.
6. The PUC is classified under the tariff custom classification 4801 00 90. The PUC, however, has been imported under the code 4801 00 10 also. The customs classification is only indicative and is not binding on the scope of the product under consideration.

Like article

7. The Applicant has claimed that the PUC, which are being dumped into India, are identical to the goods produced by the domestic industry. There are no known differences either in the technical specifications, quality, functions or end-uses of the dumped imports and the domestically produced goods manufactured by the Applicant. The two are technically and commercially substitutable and, hence, should be treated as 'like article' under the AD Rules. Therefore, the goods produced by the Applicant in India are being treated as 'Like Article' to the PUC being imported from the subject countries.

Domestic industry

8. The application has been filed by the Indian Newsprint Manufacturers Association on behalf of the domestic producers of the like articles. The application has been supported by 17 other domestic producers of like articles and has not been opposed by any domestic producer. The Applicant has claimed that neither they have imported the PUC from the subject countries nor are they related to any exporter or producer of PUC in the subject countries or any importer of the PUC in India. On the basis of the information available, the Authority notes that the application has been made by or on behalf of the domestic industry in terms of the provisions contained in Rule 2 (b) and Rule 5 (3) of the Rules.

Basis of alleged dumping

Normal Value

9. The Applicant has stated that the domestic producers use recycled or waste paper as the raw material for manufacturing the like article, while most of the foreign producers use wood pulp as raw material for producing the PUC and the conversion cost from wood pulp is at least three times the conversion cost from recycled paper. The Applicant has, therefore, requested that Constructed Normal Value (CNV) on the basis of cost of production in India should not be considered for determination of normal value.
10. Section 9A of the Customs Tariff Act states that the normal value in relation to an article means the comparable price, in the ordinary course of trade, for the like article when destined for consumption in the exporting country or territory. In case of European Union, the Applicant has relied on the intra-EU trade data for determination of domestic selling price. Similarly, in case of Canada the Applicant has relied upon published reports for determination of domestic selling price. However, for other countries domestic selling price has been claimed to be not available and therefore the Applicant has relied on the import data of the PUC into that country. Accordingly, the Authority for the purpose of initiation, decided to proceed with the normal value as constructed by the Applicant.

Export price

11. The Authority has computed the export price for all the subject countries based on DGCI&S transaction-wise import data. Adjustments have been made for ocean freight, marine insurance, port expenses, bank charges, commission and inland freight.
12. The normal value and the export price have been compared at ex-factory level, which prima facie shows significant dumping margin in respect of the PUC from the subject countries. There is sufficient prima facie evidence that the PUC are being dumped into the Indian market by the exporters from the subject countries.

Injury and Causal link

13. Information furnished by the Applicant has been considered for assessment of injury to the domestic industry. The Applicant has furnished evidence regarding the injury having taken place as a result of the alleged dumping in the form of increased volume of dumped imports in absolute terms and in relation to production and consumption in India, price undercutting, and price suppressing effect on the domestic industry. The Applicant has claimed that its performance has been adversely impacted in respect of production, sales and consequent decline in profits, return on capital employed, and cash flow, as a result of increase in imports of PUC at a price below selling price and non-injurious price for the domestic industry. There is sufficient prima facie evidence that the injury exists and is being caused to the domestic industry by dumped imports from subject countries.

Initiation of Anti-Dumping Investigation

14. 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, about dumping of the product under consideration originating in or exported from the subject countries, 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 any alleged dumping in respect of the product under consideration originating in or exported from the subject countries and to recommend the amount of anti-dumping duty, which if levied, would be adequate to remove the injury to the domestic industry.

Period of Investigation (POI)

15. The Applicant proposed the Period of Investigation (hereinafter also referred to as "POI") 01st April, 2019 – 31st September, 2019 (6 months). However, the Authority has proposed the POI in the present investigation as 01st April 2019 – 31st December 2019 (9 months). The injury investigation period will cover the periods 2016-17, 2017-18, 2018-19 and POI.

Procedure

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

Submission of Information

17. The known exporters in the subject countries, their government through their Embassy in India, the importers and users in India known to be concerned with the PUC 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.
18. 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. The information/ submission may be submitted to:

**The Designated Authority
Directorate General of Trade Remedies
Ministry of Commerce & Industry
Department of Commerce
Government of India
4th Floor, Jeevan Tara Building, 5, Parliament Street
New Delhi-110001**

19. 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.

Time Limit

20. Any information relating to the present investigation should be sent in writing so as to reach the Authority at the address mentioned above 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 Countries. 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 Anti-Dumping Rules.
21. 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

22. The parties making any submission (including Appendices/Annexures attached thereto), before the Authority including questionnaire response, are required to file the same in two separate sets, in case "confidentiality" is claimed on any part thereof:
- i. one set marked as Confidential (with title, number of pages, index, etc.), and
 - ii. the other set marked as Non-Confidential (with title, number of pages, index, etc.).
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. Soft copies of both the versions will also be required to be submitted, along with the hard copies in four (4) sets of each.
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 that 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.

Inspection of Public File

29. In terms of Rule 6(7) of the Anti-Dumping Rules, any interested party may inspect the public file containing non-confidential version of the evidence submitted by other interested parties.

Non-cooperation

30. 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.

(Bhupinder S. Bhalla)
Additional Secretary & Designated Authority