

F. No. 6/22/2023-DGTR
Government of India
Ministry of Commerce & Industry
Department of Commerce
Directorate General of Trade Remedies
4th Floor, Jeevan Tara Building,
5, Parliament Street, New Delhi -110001

Date 5th April, 2024

Case No – AD(OI) – (21/2023)

Subject: Scope of the product under consideration (PUC) and the product control number (PCN) methodology in the anti-dumping investigation concerning imports of “Soft Ferrite Cores” originating in or exported from China PR.

1. Reference is invited to the above-cited subject. The Authority had, on 30th September 2023, initiated the said anti-dumping investigation vide Notification F. No. 6/22/2023-DGTR, wherein the product under consideration (hereinafter referred to as “PUC”) was defined in Section A of the notification and an excerpt of details of the PUC is indicated as under:

“3. The product under consideration in the present investigation is "Soft Ferrite Cores" originating in or exported from China PR. Ferrite cores are magnetic cores made of ferrites. which are polycrystalline oxides. They belong to a class of materials that exhibit the technically applicable property of ferromagnetism. In a ferromagnetic material, magnetism occurs under an externally applied field. On removals of this field, the material returns to its non-magnetic state. This behaviour is termed as magnetically "soft".

4. Soft Ferrites Cores are made from ceramic compounds by mixing, pressing, extruding, and firing large proportions of ferric oxide (Fe₂O₃) blended with a small proportion of one or more additional metallic elements such as strontium, barium, manganese, nickel, and zinc. The most common forms of Soft Ferrite Cores are Manganese-zinc ferrite (MnZn) and Nickel-zinc ferrite (NiZn). The product under consideration in the present investigation is limited to Manganese-Zinc-based Soft Ferrite Cores.

2. The interested parties were granted an opportunity to present their comments on the scope of the PUC and propose PCNs, if required, within 30 days from the date of the initiation of the subject investigation.
3. The Authority has conducted two meetings in this regard on 16th January 2024 and 07th February 2024 pursuant to which comments were invited from all the other interested

parties. Pursuant to the meetings, the Authority vide an e-mail dated 26th February 2024 proposing to define the scope of PUC based on the product portfolio of the domestic industry and invited comments on the same from all the other interested parties.

4. The Authority has not received any comments on the PCN Methodology from any interested party in the subject investigation. Thus, based on the discussions held with the interested parties, no PCN Methodology is required in the present investigation.
5. The Authority has received comments on the scope of PUC from the domestic industry, Tongxiang Huayuan Electronics Co., Ltd. (“Tongxiang”), Huzhou Haotong Electronic Technology Co., Ltd (“Huzhou”), China Chamber of Commerce for Import and Export of Machinery and Electronic Products (“CCME”), Speedofer Components Pvt. Ltd. (“Speedofer”), Victor Magnetics Private Limited (“Victor”), M.K. Electronics, Elcompo Electronic Industries Private Limited (“Elcompo”), YMD Electromac India (“YMD”) , Shree Shyam Components (“Shree Shyam”) and Minghao Electronics India Private Limited (“Minghao”).
6. Tongxiang, Huzhou and CCME have sought clarification that Nickle-Zinc based Soft Ferrite Cores (NiZn) and Magnesium-zinc based soft ferrite cores (MgZn) are excluded from the scope of the PUC. Tongxiang and Huzhou later submitted that the scope of PUC should be restricted to EE, EF and PQ Cores since they constitute 70% of the market share of imports during POI.
7. Speedofer has sought restriction of the scope of PUC to the geometries and powder grades mentioned in the catalogue of the domestic industry. It was also submitted that the domestic industry does not possess tools for manufacturing various geometries of PUC. Later, Speedofer submitted that the scope of the PUC should be limited to EE Cores, PQ Cores and Toroid Cores.
8. Victor has raised certain issues concerning the quality of the PUC supplied by the domestic industry and has submitted that many of the latest shapes and geometries are not available with the domestic industry. Additionally, Victor has also sought exclusions of the following:
 - a. Soft Ferrite Cores for high-end applications.
 - b. Soft Ferrites Cores with mirror finish.
9. M.K. Electronics, Elcompo, YMD and Shree Shyam have made submissions with respect to the quality issues and non-availability of newer geometries with the domestic industry.
10. Minghao has raised concerns with respect to the non-availability of geometries such as EED2313B, EPC1716VE, EPC1816A, EPC1916VE, EFC1715 and grade material PC96

with the domestic industry. Minghao also submitted that the scope of the PUC should be limited to EE Cores, PQ Cores and Toroid Cores.

11. The domestic industry has disputed the request for exclusions of PUC on the following basis:
 - a. The PUC is a made-to-order customized product. It is not possible to include all the geometries of PUC and powder grades that they manufacture in their catalogue. Thus, restricting the scope of PUC to the products mentioned in the catalogue is not appropriate.
 - b. The Authority should not restrict the scope of the PUC based on the volume/value of the imported cores. Merely because the product has been imported in smaller quantities, the same should not be a reason for the exclusion of such product from the scope of PUC. The exclusion requests are subject to verification of production of the similar core/capability of the domestic industry to manufacture a similar core if any order is placed for the same by customers.
 - c. Any exclusion based on geometries and dimensions may lead to circumvention of antidumping duty, if imposed, by way of alteration of name, description, or composition.
 - d. The Authority may restrict the scope of PUC to the product portfolio submitted by the domestic industry as a response to the oral hearing.

12. However, the domestic industry vide a letter dated 20th March 2024, requested the Authority to restrict the scope of PUC to Manganese-Zinc-based Soft Ferrite Cores of the following geometries and their respective length:

S. No.	Core	Length
1	EE/E/EF	10 mm to 128 mm
2	PQ/EQ/QP	20 mm to 71 mm
3	ET	24 mm to 35 mm
4	Toroid (with and without coating)	03 mm to 202 mm
5	UU/UR/UI	10 mm to 141 mm
6	I Bars	20 mm to 245 mm
7	EER/ETD/ER/EQ/ERY	11 mm to 67 mm
8	EFF/EFD/EVD/EV/EED	15 mm to 30 mm

13. Having regard to the facts presented, the Authority has noted that during the initiation itself, the scope of the PUC covered Manganese-Zinc (MnZn) Soft Ferrite Cores. The Authority

hereby clarifies that Nickel-Zinc (NiZn) and Magnesium-Zinc (MgZn) Soft Ferrite Cores are excluded from the scope of PUC in the present investigation.

14. With regard to the MnZn Soft Ferrite Cores with mirror finish, the domestic industry in the hearing has accepted that they do not manufacture Soft Ferrite Cores with mirror finish and thus, the same is excluded from the scope of PUC in the present investigation.
15. With regard to MnZn Soft Ferrite Cores with high-end applications, the Authority notes that no substantial submission has been received by the Authority showcasing the types of the PUC that are used for high-end applications. Further, the PUC is a technical product, and any exclusion should be properly defined to mitigate the possibility of any circumvention of anti-dumping duty if imposed. Therefore, the Authority decides not to exclude any geometry based on its application from the scope of PUC at this stage and will examine this issue in the further course of investigation.
16. Certain interested parties have raised issues regarding the quality of the PUC supplied by the domestic industry. The Authority notes that quality is not a definite criterion for defining the product scope in an anti-dumping investigation. However, the Authority will verify the claims regarding the quality of the PUC supplied by domestic industry during the investigation.
17. The authority notes that there is no import of the following geometries; QP, UR, EER, ETD, ERY, EFF, EFD, EVD, EV & EED. Further, the authority notes that the different geometries cannot be interchangeably used and are not a substitute for each other.
18. In view of the above, after examining the submissions made by the domestic industry and all the interested parties, the Authority deems it appropriate to restrict the scope of the PUC to the following geometries and length of MnZn Soft Ferrites Cores for the purpose of present investigation:
 - a) *EE/E/EF of length 10 mm to 128 mm*
 - b) *PQ/EQ of length 20 mm to 71 mm*
 - c) *ET of length 24 mm to 35 mm*
 - d) *Toroid (with and without coating) of length 03 mm to 202 mm*
 - e) *UU/UI of length 10 mm to 141 mm*
 - f) *I Bars of length 20 mm to 245 mm*
 - g) *ER of length 11 mm to 67 mm*
19. The Authority further notes that certain interested parties are importing the PUCs in unground form and without finishing, which is nothing but the PUC without finishing. The Authority clarifies that the scope of PUC also covers the above-mentioned geometries of

MnZn Soft Ferrites Cores when imported in both ground and unground form and with or without finish.

20. All interested parties i.e., producers/exporters/importers/users etc. are requested to file respective questionnaire responses within 15 days of the date of this notice.
21. As trade remedial investigations are time-bound in nature, no further extension of time will be granted in the captioned matter.
22. This issues with the approval of the Designated Authority.

Regards,
Devender Singh/ देवेन्द्र सिंह
Joint Director General of Foreign Trade
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