

To be published in Part-I Section I of the Gazette of India Extraordinary

F. No. 6/13/2021-DGTR
Government of India
Department of Commerce
Ministry of Commerce & Industry
(Directorate General of Trade Remedies)
4th Floor, Jeevan Tara Building, Parliament Street, New Delhi – 110001

Case No - AD (OI) - 13/2021
INITIATION NOTIFICATION

Dated: 10th September, 2021

Subject: - Initiation of anti-dumping investigation concerning imports of Stainless-Steel Seamless Tubes & Pipes originating in or exported from China PR.

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 thereof, as amended from time to time (hereinafter also referred to as the "Rules or AD Rules"), Chandan Steel Limited, Tubacex Prakash India Private Limited and Welspan Specialty Solutions Limited (hereinafter referred to as the "Applicants") have filed an application before the Designated Authority (hereinafter referred to as the "Authority") for initiation of anti-dumping investigation concerning the imports of "Stainless-steel seamless tubes & pipes" (hereinafter referred to as the "subject goods" or "product under consideration") originating in or exported from China PR (hereinafter referred to as the "subject country").

- 2) The applicants have alleged that material injury to the domestic industry is being caused due to the dumped imports of the subject goods originating in or exported from the subject country. Accordingly, the applicants have requested for the imposition of the anti-dumping duty on the import of the subject goods originating in or exported from the subject country.

A. Product under consideration

- 3) The product under consideration is stainless-steel seamless tubes and pipes with diameter up to and including 6 inches, whether manufactured using hot extrusion process or hot piercing process and whether sold as hot finished or cold finished pipes and tubes, including subject goods imported in the form of defectives, non-prime or secondary grades.
- 4) Stainless-steel seamless tubes and pipes are used for structural purposes and to transfer liquids and gases. The product under consideration is used in application relating to oil and gas; petrochemicals and refineries; atomic energy; power generators including nuclear and thermal power; and aerospace and defence applications.

- 5) The product under consideration can be manufactured using either hot extrusion process or hot piercing process, which is also known as cross roll piercer process. The scope of product under consideration includes product manufactured using both processes.
- 6) The product under consideration is classified under Chapter 73 under tariff headings 7304. The customs classification is only indicative and is not binding on the scope of the present investigation.

B. Like article

- 7) The applicants have claimed that there are no known significant differences in the subject goods produced by the domestic industry and that exported from China PR. Both products have comparable characteristics in terms of parameters such as physical & chemical characteristics, manufacturing process & technology, functions & uses, product specifications, pricing, distribution & marketing and tariff classification. The applicants claim that the two are technically and commercially substitutable. Therefore, for the purpose of proposed investigation, the subject goods produced by the applicants are being treated by the Authority as 'like article' to the subject goods being imported from the subject country.

C. Domestic industry and standing

- 8) The application has been filed by Chandan Steel Limited, Tubacex Prakash India Private Limited and Welspan Specialty Solutions Limited. The application is supported by Ratnamani Metals & Tubes Limited. The applicants have claimed that they have neither imported the subject goods from the subject country during the period of investigation nor are they related to any exporter or the producer of the subject goods in the subject country or to an importer of the subject goods in India.
- 9) As per evidence available on record, the applicants account for a major proportion in the domestic production of the like article in India. Further, the applicants together with supporter account for 67% of the total domestic production of the like article in India. In view of the above and after due examination, the Authority notes that the applicants 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.

D. Normal value for China PR

- 10) The applicants have claimed that China PR should be treated as a non-market economy and the normal value should be determined in terms of Paragraph 7 of Annexure-I to the Rules. The applicants have identified Korea RP as an appropriate third country to determine the normal value for China PR. Due to unavailability of information regarding the price of the subject goods in the appropriate third country, the applicants have relied on the price of the exports from Korea RP to India for determination of the normal value.
- 11) For the purpose of the present investigation, the Authority has considered the normal value based on the price of exports from Korea RP to India.

E. Export price

12) The export price of the subject goods has been determined by considering the CIF price of the subject goods, as reported in the DGCI&S data. The price adjustments have been made on account of ocean freight, inland freight, marine insurance, commission, port expenses and bank charges to arrive at ex-factory export price.

F. Dumping margin

13) The normal value and the export price have been compared at ex-factory level. There is sufficient evidence that the normal value of the subject goods in China PR is significantly higher than the ex-factory export price indicating, *prima facie*, that the subject goods are being dumped by the exporters from the subject country into the Indian market and the dumping margin is above de-minimis level so as to justify the initiation of investigation.

G. Injury and Causal link

14) The information furnished by the applicants have been considered for assessment of the injury to the domestic industry. The applicants have furnished *prima facie* evidence regarding the injury having taken place as a result of the alleged dumping, resulting in price undercutting and price suppression of the prices of domestic industry. The applicants have claimed that while the volume of the imports have declined due to Covid-19 and the capacity expansion of the domestic industry, their performance has been adversely impacted in respect of the production, the low market share, deterioration in the profits, the cash profits and the return on investments. Further, Welspun Specialty Solutions Limited has claimed that the subject imports have materially retarded the establishment of the company in India and the company is unable to find a viable market for its products in the country. There is sufficient *prima facie* evidence of the material injury being caused to the domestic industry by the dumped imports from the subject country to justify the initiation of the anti-dumping investigation.

H. Initiation of Anti-Dumping Investigation

15) On the basis of the duly substantiated application by and on behalf of the domestic industry, and having satisfied itself on the basis of the *prima facie* evidence submitted by the domestic industry, substantiating dumping of the product under consideration originating in or exported from the subject country, 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 the 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 country and to recommend the amount of the anti-dumping duty, which if levied, would be adequate to remove the injury to the domestic industry.

I. Subject country

16) The subject country involved in the present anti-dumping investigation is China PR.

J. Period of investigation

17) The applicant has proposed the period from 1st April, 2020 to 31st March, 2021 (12 months). The injury investigation period has been considered as the period 2017-18, 2018-19, 2019-2020 and the POI.

K. Procedure

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

L. Submission of Information

19) In view of the special circumstances arising out of COVID-I9 pandemic, all communication should be sent to the Authority via email at the email addresses adg15-dgtr@gov.in, adv13-dgtr@gov.in, dir16-dgtr@gov.in and dd15-dgtr@gov.in.

20) The known producers/exporters in the subject country, their government through their Embassy in India, the importers and users in India known to be connected 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.

21) Any other interested party may also make its submissions relevant to the investigation in the prescribed form and manner within the time-limit set out below.

22) Any party making any confidential submission before the Authority is required to make a non-confidential version of the same available to the other interested parties.

M. Time Limit

23) In view of the special circumstances arising out of COVID-19 pandemic, any information relating to the present investigation should be to the Authority via email at the email addresses adg15-dgtr@gov.in, adv13-dgtr@gov.in, dir16-dgtr@gov.in and dd15-dgtr@gov.in 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 Rules, the notice calling for information and other documents shall be deemed to be have been received within one week from the date on which it was sent by the 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 finding on the basis of the facts available on records in accordance with the Rules.

24) All the interested parties are hereby advised to intimate their interest (including the nature of interest) in the instant investigation and file their questionnaire response/submissions within the time limit mentioned above.

N. Submission of information on confidential basis

- 25) 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.
- 26) 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.
- 27) 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.
- 28) 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 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.
- 29) 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.
- 30) 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.
- 31) 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.

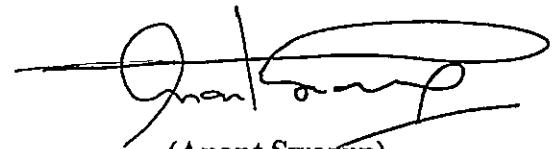
32) The Authority on being satisfied and accepting the need for confidentiality of the information provided, shall not disclose it to any party without specific authorization of the party providing such information.

O. Inspection of Public File

33) 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.

P. Non-cooperation

34) 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)

Joint Secretary and Designated Authority