

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

**F. No. 7/37/2020-DGTR
Government of India
Ministry of Commerce and Industry
Department of Commerce
Directorate General of Trade Remedies
4th Floor, Jeevan Tara Building, 5, Parliament Street, New Delhi - 110001**

Dated: 26th February, 2021

INITIATION NOTIFICATION

Case No. AD (SSR)– 19/2020

Subject: Sunset Review of anti-dumping duty imposed on imports of Tyre Curing Presses for Tyres originating in or exported from China PR.

1. M/s Larsen & Toubro Limited (hereinafter referred to as the “Applicant”), on behalf of the domestic industry, has filed an application before the Designated Authority (hereinafter also referred to as the “Authority”), in accordance with the Customs Tariff Act, 1975 as amended from time to time (hereinafter also referred 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, as amended from time to time (hereinafter also referred as the “Rules”), requesting for initiation of sunset review investigation concerning imports of Tyre Curing Presses also known as Tyre Vulcanisers or Rubber Processing Machineries for tyres (hereinafter referred to as ‘subject goods’ or ‘product under consideration or “PUC”) originating in or exported from China (hereinafter referred to as ‘subject country’).
2. The Applicant has alleged likelihood of continuation of dumping of subject goods, originating in and exported from China PR, and recurrence of injury to the domestic industry in the event of cessation of Anti-dumping duty, and has requested for sunset review investigations on the import of the subject goods originating in or exported from China PR.

A. Background

3. Anti-dumping duties were first levied on the imports of subject goods from China in 2009, following the preliminary findings which were issued by the Authority in March 2009. Thereafter, the Authority issued final findings in October 2009 and Ministry of Finance imposed duties vide Notification No. 01/2010-Customs dated 8th January 2010.
4. A mid-term review was initiated on 23rd May 2011 and the final findings were issued on 29th March 2012 wherein Six Day Light Curing Press for curing bicycle tyres was

excluded from the ambit of duty. The Ministry of Finance vide notification no. 26/2012 - Customs (ADD), dated 14th May, 2012 implemented the recommendation.

5. A sunset review was initiated on 07th January 2015. The anti-dumping duties were extended for a period upto 7th January 2016 vide notification number 06/2015-Customs (ADD) pending outcome of the review. The Authority issued final finding published vide notification No.15/22/2014-DGAD dated 5th January 2016 recommending extension of anti-dumping duties for 5 years. The Ministry of Finance extended the anti-dumping duty vide Notification No. 11/2016-Customs (ADD) dated 29th March 2016.

B. Product under consideration

6. The product under consideration in the present application, as defined in the last sunset review investigation is “Tyre Curing Presses” also known as Tyre Vulcanisers or Rubber Processing Machineries for tyres, excluding Six Day Light Curing Press for curing bicycle tyres.
7. The product under consideration is classified under chapter 84 of the Customs Tariff Act, 1975 and subheading 84775100. However, the custom classification is indicative only and not binding on the scope of the investigation.
8. The domestic industry has adopted PCNs for the purpose of present investigation on the basis of (a) diameter of the tyre that can be cured and (b) whether the machine is hydraulic or mechanical for the purpose of determination of dumping margin, price undercutting and injury margin.

C. Like Article

9. The Applicant has claimed that the subject goods produced by the domestic industry are comparable to the goods being imported into India. Subject goods produced by the domestic industry and the product under consideration imported from subject countries are comparable in terms of essential product characteristics such as physical & chemical characteristics, technical specifications, manufacturing process & technology, functions & uses, 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 should be treated as ‘like article’ under the Rules. For the purpose of the present investigation, the subject goods produced by the applicant is being treated as ‘Like Article’ to the subject goods being imported from China PR.

D. Domestic industry & standing

10. The application for the sunset review has been filed by M/s Larsen & Toubro Limited on behalf of the domestic industry. As claimed by the applicant their share accounts for

around 87% of the gross domestic production. The applicant has also claimed that it has neither imported the subject goods from the subject country nor is it related to any exporter or producer of subject goods in the subject country or an importer of the subject goods in India. On the basis of the information on record, the Authority notes that the applicant constitutes eligible domestic industry in terms of Rule 2(b) and the application fulfils the criteria of standing in terms of Rule 5(3) of the Rules.

E. Basis of likelihood of recurrence of dumping

11. The Applicant has 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 of the Rules. The Applicant has cited Para 8(2) of Annexure I of the Rules and has stated that the Chinese producers should be directed to demonstrate that market economy conditions prevail in the industry producing the subject goods in terms Para 8(3) of Annexure I of the Rules. The prices or constructed value of the product under consideration in market economy appropriate third country or the prices from such third country to other countries, including India has neither been made available by the Applicant, particularly in view of the nature of the product, nor is this information available with the Authority from any public source. Thus, normal value has been determined on the basis of price paid or payable in India, considering the cost of production in India, selling, general & administrative expenses and reasonable profits. Separate normal value has been prepared for different presses.
12. The Applicant has claimed export prices on the basis of Directorate General of Commercial Intelligence and Statistics (DGCIS) transaction-wise import data. Price adjustments has been made for ocean freight, insurance and inland freight and forwarding charges.
13. Considering the estimates of normal value and the export price as mentioned above, dumping margin has been determined. Separate dumping margin has been determined for each type of press. The resultant weighted average dumping margin is positive. There is prima facie evidence that the product has been exported to India at a price below the normal value, showing that the subject goods originating in or exported from China PR are being exported at dumped prices.

F. Continuation of injury and causal link

14. Information furnished by the Applicant has been considered for assessment of injury to the domestic industry. The volume of imports of subject goods from subject country has increased in the POI in absolute terms. Imports have also increased during the POI in relation to production & consumption as compared to preceding year. Imports are undercutting the domestic prices without applicable ADD. Though the performance of the domestic industry has improved till 2018-19 from the base year, the same has declined during the POI and thus, the domestic industry remains vulnerable due to dumping of the subject goods from the subject country.

G. Likelihood of recurrence of Injury and Casual Link

15. The Authority notes that there is prima facie evidence of continuation of dumping and likelihood of recurrence of injury to the domestic industry in the event of cessation of ADD, considering the volume and price of imports of subject goods from subject country, positive dumping and injury margin, price undercutting, and the performance of the domestic industry in the duty-free market (which does not attract ADD). Further, the applicant has claimed that the Chinese producers are holding significant freely disposable production capacities along with their high export orientation. It is prima facie noted that there is likelihood of continuation of dumping and consequential injury to the domestic industry in the event of cessation of the anti-dumping duties.

H. Initiation of Sunset Review

16. In view of the duly substantiated written application by the Domestic Industry, and having satisfied, on the basis of the prima facie evidence about the likelihood of dumping and consequent injury to the Domestic Industry, and in accordance with Section 9A(5) of the Act, read with Rule 23(1B) of the Rules, the Authority hereby initiates investigation to review the need for continued imposition of the anti-dumping duties in force in respect of the subject goods, originating in or exported from China PR and to examine whether the expiry of existing duties is likely to lead to continuation or recurrence of dumping and consequent injury to the Domestic Industry.

I. Subject Country

17. The country involved in the present investigation is China PR.

J. Period of Investigation (POI)

18. The Applicant had initially proposed period of investigation as 1st April 2019 to 30 June, 2020 and injury investigation period as 1st April 2016 to 31st March 2017, 1st April 2017 to 31st March 2018, 1st April 2018 to 31st March 2019 and the period of investigation. Later on, the Applicant requested to extend the POI till 30th September, 2020 and furnished the data till 30th June, 2020. The Authority however considers it appropriate, having regard to Rule 2(da), and explanation to rule 22, to fix the period 1st April 2019 - 30 September 2020 (18 months) as the period of investigation (POI), and the period 1st April 2016 to 31st March 2017, 1st April 2017 to 31st March 2018, 1st April 2018 to 31st March 2019 and the period of investigation as the injury investigation period. The Authority considers that the period of investigation is appropriate, considering the rule and inclusion of one full accounting year of the domestic industry in the investigation period.

K. Procedure

19. The present sunset review covers all aspects of the sunset review final findings published vide notification no No.15/22/2014 dated 5th January, 2016. The Authority would also undertake likelihood analysis of dumping and Injury as required.
20. The provisions of Rules 6, 7, 8, 9, 10, 11, 16, 17, 18, 19 and 20 of the Rules supra shall be mutatis mutandis applicable in this review.

L. Submission of Information

21. In view of the special circumstances arising out of COVID- 19 pandemic, all communication should be sent to the Designated Authority via email at email address adg13-dgtr@gov.in, adv11-dgtr@gov.in, dd18-dgtr@gov.in and dd15-dgtr@gov.in. It should be ensured that the narrative part of the submission is in searchable PDF/ MS Word format and data files are in MS Excel format.
22. 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.
23. 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.
24. 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.
25. 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.

M. Time Limit

26. Any information relating to the present investigation should be sent to the Designated Authority via email at the email addresses adg13-dgtr@gov.in, adv11-dgtr@gov.in, dd18-dgtr@gov.in and dd15-dgtr@gov.in within 37 days from the date of receipt of the notice as per as per 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.
27. 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.

N. Submission of information on confidential basis

28. 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.
29. 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.
30. 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.
31. 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.
32. 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.
33. 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.
34. 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.

35. 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

36. 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.

P. Non-cooperation

37. 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