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GOVERNMENT OF INDIA
MINISTRY OF COMMERCE & INDUSTRY
(DEPARTMENT OF COMMERCE)
DIRECTORATE GENERAL OF ANTI DUMPING & ALLIED DUTIES
UDYOG BHAVAN, NEW DELHI

Final Findings

Dated, the 10th February, 2014

Subject: Mid-term review of anti-dumping duty imposed on imports of glass fibre and articles thereof originating in or exported from China PR

A BACKGROUND

Whereas, having regard to the Customs Tariff Act, 1975 as amended from time to time (hereinafter referred to as Act) and the Customs Tariff (Identification, Assessment and Collection of Duty or Additional Duty on Dumped Articles and for Determination of Injury) Rules, 1995 as amended from time to time, (herein after referred to as the 'AD Rules'), vide Notification No.14/28/2009-DGAD dated 6thJanuary, 2011 the Designated Authority (herein after referred to as 'the Authority') notified its final findings for imposition of Anti-Dumping Duty on import of glass fibre, including glass roving [assembled rovings (AR), direct rovings (DR)] glass chopped strands (CS), glass chopped strands mats (CSM). Specifically excluded from the scope of the product under consideration are glass wool, fibre glass wool, fibre glass insulation in wool form, glass yarn, glass woven fabrics, glass fibre fabric, glass woven rovings and chopped strands meant for thermoplastic applications, micro glass fibre used in battery separator, surface mat/surface veil/tissue (hereinafter referred to as 'subject goods') originating in or exported from China PR (hereinafter referred to as 'subject country').

2. And WHEREAS antidumping duty was imposed on the subject goods vide Customs Notification No.30/2011 dated 4thMarch, 2011 and Corrigendum dated 31stMarch, 2011.

3. And WHEREAS the Act and the AD Rules, *inter-alia*, require the Authority to review from time to time the need for continuance of anti-dumping duty. M/s Raman Fibre Science Private Limited, Bangalore has filed an application substantiating the need for initiating a Mid- Term Review of the anti-dumping duty earlier imposed on the subject goods originating in or exported from China PR and has requested to exclude micro-glass fibres without end-use restriction from the ambit and scope of the anti-dumping duty earlier imposed. Considering the duly substantiated request, the Authority considered that a mid-term review of the anti-dumping duty recommended earlier would be appropriate at this stage under the provisions of Section 9A (5) of the Act, read along with Rule 23(1A) of the Antidumping Rules. The scope of the mid-term review was restricted to examination of whether micro-glass fibres without end-use restriction are required to be excluded from the scope of the anti-dumping duty earlier imposed on the subject goods from the subject country.

4. In the above backdrop, the Authority issued a public notice dated 19th September, 2013 published in the Gazette of India, Extraordinary, initiating Mid-term review of the

aforesaid final findings dated 6th January, 2011, in pursuance of which the anti-dumping duty was notified vide Customs Notification dated 4th March, 2011 and corrigendum dated 31st March, 2011.

B PROCEDURE

5. In the present proceedings the procedure described herein below has been followed:

(i) The Authority sent copy of the initiation notification dated 19th September, 2013 to the Embassy of the subject country in India, the following known exporters from the subject country, importers and other interested parties and the domestic industry, as per the information available with it. Parties to this investigation were requested to file their response and make their views known in writing within the prescribed limit.

Known exporters:-

- a) Chongqing Polycomp International Corp, Dadukou District, Chongqing, China-400082.
- b) Jushi Group Co. Ltd, 699 Wenham Road (South), Tongxiang Economic Development Zone, Tongxiang City, Zhejiang Province-314500, China.
- c) Taishan Fiberglass Inc., Economic Development Zone, Taian, Shangdong, China.
- d) Zibo PPG SinomaJinjing Fiber Glass Co Ltd, 202 Zhongxin Road Zibo, Shandong Province- 255086.
- e) Jushi Group Co Ltd (hereinafter also referred to as 'Jushi, Tongxiang')
- f) CNBM International Corporation
- g) Jushi Group Jiujiang Co Ltd.
- h) Changzhou New Changhai Fiberglass Co. Ltd. ("NCH").
- i) Jiangsu Changhai Composite Materials Holding Co Ltd (OCH)
- j) Jushi Group Chengdu Co Ltd
- k) Taishan Fiberglass Inc. (CTG or the Company) (CTG or the Company).
- l) Taishan Fiberglass Zoucheng Co., Ltd. ("Zoucheng", the Company)
- m) SinomaJinjing Fiber Glass Co Ltd
- n) Shandong Aste New Materials Co Ltd
- o) China National Materials Industry Import & Export Corporation (Sinoma Import & Export, the Company)
- p) Shandong Taishan-PDO Glass Fiber Products Co., Ltd. ("PDO", the Company)
- q) PPG SinomaJinjing Fiber Glass Company, Ltd.
- r) SinomaJinjing Fiber Glass Co. Ltd.

Known Importers:-

- a) Kemrock Industries & Exports Ltd.
- b) Pentair Water India P Ltd
- c) Amiantit Fibreglass India Limited
- d) Sundaram Brake Linings Ltd
- e) Graphite India Limited
- f) Indore Composite Pvt. Ltd.
- g) EPP Composites Pvt. Ltd.

- h) Balaji Fibre Reinforcement Pvt. Ltd.
- i) O. K. Glass Fibre Limited
- j) Jushi (India) FRP Accessories Pvt. Ltd.
- k) Sky Fibreglass Solutions Pvt. Ltd.
- l) Aarvi Composites Pvt. Ltd.
- m) Pacific Pipe Systems Pvt. Ltd.
- n) Kush Synthetics Ltd.

Association:-

- a) Federation of Indian Chamber of Commerce & Industry
- b) Associated Chamber of Commerce & Industry
- c) Confederation of Indian Industry

Domestic Producers:-

- a) M/s. Owens Corning India Limited, Mumbai
- b) M/s. OCV Reinforcement Manufacturing Limited, Hyderabad

(ii) The Authority made available non-confidential version of the evidence presented by various interested parties in the form of a public file kept open for inspection by the interested parties.

(iii) Information provided by the interested parties on confidential basis was examined with regard to sufficiency of the confidentiality claim. On being satisfied, the Authority has accepted the confidentiality claims, wherever warranted and such information has been considered confidential and not disclosed to other interested parties. Wherever possible, parties providing information on confidential basis were directed to provide sufficient non confidential version of the information filed on confidential basis

(iv) In accordance with Rule 6(6) of the AD Rules, the Authority also provided opportunity to all interested parties to present their views orally in a public hearing held on 30.12.2013. However, none of the interested parties including the petitioner attended the hearing.

(v) In accordance with Rule 16 of the Rules supra, the essential facts/basis considered for these findings were disclosed to known interested parties on 13th January, 2014 vide a disclosure statement with the request to offer their comments by 20th January 2014. On the request of one of the interested parties, the last date to submit the comments was extended till 28th January, 2014. However, response from only M/s Raman Fibre Science Private Ltd., was received.

C PRODUCT UNDER CONSIDERATION

6. The product under consideration as in the original investigation and also in the present review application is glass fibre, including glass roving [assembled rovings (AR), direct rovings (DR)], glass chopped strands (CS), glass chopped strands mats(CSM). Specifically excluded from the scope of the product under consideration are glass wool, fibre glass wool, fibre glass insulation in wool form, glass yarn, glass woven fabrics, glass fibre fabric, glass

woven rovings and chopped strands meant for thermoplastic applications, micro glass fibre used in battery separator, surface mat/surface veil/tissue. Glass fibre is classified under Chapter 70 of the Customs Tariff Act, 1975 under sub-heading 7019 in the ITC classification based on harmonised commodity description and coding system.

7. As stated in the initiation notification dated 19 th September, 2013, this mid-term review investigation is restricted to the examination of whether micro glass fibre without end-use restriction can be excluded from the purview of anti-dumping duties recommended through DGAD Notification No.14/28/2009-DGAD dated 6thJanuary, 2011 and imposed vide Customs Notification No.30/2011 dated 4thMarch, 2011 and corrigendum dated 31stMarch, 2011.

D SUBMISSIONS MADE BY THE PETITIONER

8. M/s. Raman Fibre Science Private Ltd., (hereinafter referred to as 'Petitioner') has stated in their petition as follows:

- (i) They are engaged in the development and manufacture of special composite webs for high technology applications and they had developed and successfully commercialised high efficiency particle air (HEPA) filter media. HEPA filter media is a must for nuclear power plants for their safe operation and they need to be constantly replaced. In order to test and commercially approve their product against global competition they need to import the key raw material, i.e. micro glass fibre (MGF) at competitive prices and also meeting their quality standards.
- (ii) The technical characteristics of micro glass fibre (MGF) are different from glass fibre and also the process for making MGF is different. The main applications for MGF are in battery separator, air and liquid filter media. Even in filter media, MGF is primarily used in very fine filters, viz. High efficiency particle air (HEPA) and ultra-light particle air (ULPA) media with applications in nuclear power plants, pharma, bio-technology, semi-conductor and medical applications such as blood filtration/ dialysis.
- (iii) The flame attenuation process made to use MGF requires the use of natural gas as the main input forming more than 80% of the cost of MGF and for this reason MGF is made only in locations where natural gas is available plentiful as otherwise it would become uneconomical. Usage of both LNG and LPG are both not feasible due to enormous cost difference with regular piped natural gas (PNG). Secondly, the bulk density of MGF is very high leading to high transportation cost and therefore, MGF manufacturing happens merely where there is large consumption close-by.
- (iv) For the reasons mentioned above MGF is made only by 2 companies (i) Johns Manville Corp in the United States and (ii) Lausha Fibre in Germany and by some companies in China. The petitioner has further stated that there are no manufacturers of MGF in India. The petitioner has stated that all MGF being used in India is being imported from one or the other of above sources and there is absolutely no injury to domestic producer of the glass fiber consequent to MGF imports.
- (v) The petitioner has stated that given its very distinct highly energy intensive, and low-volume manufacturing process, MGF prices globally are far higher than conventional

glass fibre – typically in the range of US\$ 3-10 per kg, as against US\$ 1-2 per kg for conventional glass fibre.

- (vi) Physically also MGF has a very distinct appearance and surface area – more like cotton wool as opposed to the extruded strands of conventional glass fibre. It's extremely high bulk density and fine fibre diameter and other characteristics render it unusable for conventional reinforcement applications in which regular glass fibre is used. Therefore, MGF and conventional glass fibre are commercially and physically non-substitutable.
- (vii) DGAD in its final findings notification dated 6th January, 2011 recommending imposition of anti-dumping duty had held "Micro-glass fibre imported from China is a specialty product and is different from the glass fibre. It is used in the manufacture of battery separators and high efficiency air and liquid filter media and has a special manufacturing process. There is no domestic manufacturer of this special low diameter glass fiber. Further, micro-glass fiber is being imported to produce separators which are being produced in India for the first time. Imports of micro-glass fiber have not caused injury to the domestic industry'. However, DGAD had in its final findings dated 6.1.2011 recognized the use of MGF in battery separators and exempted the same from the purview of antidumping duty.
- (viii) MGF finds several other potential strategic applications given its versatile nature. MGF is not manufactured in India and there is no domestic industry in existence manufacturing MGF. In view of the foregoing, the petitioner requests that MGF without any end-use restrictions should be excluded from the purview of anti-dumping duty recommendation notification dated 6th January, 2011.

E SUBMISSIONS MADE BY THE DOMESTIC INDUSTRY

9. The domestic industry has made the following submissions:

- (i) M/s Owens Corning Industries (India) Private Ltd., Hyderabad in their letter dated 1.10.2013 has stated that they neither produce nor sell 'micro glass fibre' under the purview of mid-term review and therefore not likely to be affected by the outcome of the investigation. They have further stated that they support the application filed by M/s Raman Fibre Science. They have requested the Authority to exempt 'micro glass fibre with fibre diameter in the range of 0.3 to 2.5 microns' from the antidumping duty.
- (ii) M/s Owens Corning (India) Private Ltd., Mumbai in their letter dated 1.10.2013 has stated that they neither produce nor sell 'micro glass fibre' under the purview of mid-term review and therefore not likely to be affected by the outcome of the investigation. They have further stated that they support the application filed by M/s Raman Fibre Science. They have requested the Authority to exempt 'micro glass fibre with fibre diameter in the range of 0.3 to 2.5 microns' from the antidumping duty.

F EXAMINATION BY THE AUTHORITY

10. The Authority has taken note of the submissions, arguments and the evidence provided by the interested parties and the information available on record. The Authority notes that M/s. Raman Fibre Science Private Ltd. has sought exclusion of 'micro glass fibre with fibre diameter in the range of 0.3 to 2.5 microns' from the ambit and scope of the antidumping duty as none of the domestic producer of the subject goods manufactures the same in India. The Authority further notes that the aforesaid claim of the petitioner has been admitted by the two domestic producers, M/s Owens Corning Industries (India) Private Ltd., Hyderabad and M/s Owens Corning (India) Private Ltd., at whose request the anti-dumping investigation was initiated and in pursuance whereof the anti-dumping duty is presently in force on the subject goods. No other interested party has responded in the instant matter. The Authority has taken note of the fact that M/s Raman Fibre Science vide their letter dated 25th October, 2013 had stated that they had examined the responses filed by both the domestic producers and are in agreement with the specification of the micro glass fibre proposed by them. The Authority further notes that micro glass fibre with fibre diameter of 0.3 to 2.5 micron and conventional glass fibre are commercially and physically not substitutable. The Authority, therefore, holds that it would be appropriate to accede to the request of M/s Raman Fibre Science Private Ltd. and recommend exclusion of 'micro glass fibre with fibre diameter in the range of 0.3 to 2.5 microns' from the ambit and scope of the antidumping duty.

11. The Authority had disclosed the essential facts/basis considered for these findings to known interested parties with the request to offer their comments if any. However, response was received only from M/s Raman Fibre Science Private Ltd., who in their response has stated that they are in agreement with the final conclusion and recommendation as per point G11 and G 12 of the Disclosure Statement.

G CONCLUSION AND RECOMMENDATION

12. In view of above facts, the Authority recommends that micro glass fibre with fibre diameter in the range of 0.3 – 2.5 microns be excluded from the ambit and scope of the anti-dumping duty recommended earlier vide Final Findings Notification No.14/28/2009-DGAD dated 6th January, 2011 and imposed vide Customs Notification No.30/2011 dated 4th March, 2011 and corrigendum dated 31st March, 2011.

13. Accordingly, the Authority recommends that the foot note given under Duty Table mentioned in Authority's earlier final findings Notification No.14/28/2009-DGAD dated 6th January, 2011 may be substituted with the following:

“* glass fibre, including glass roving (assembled rovings (AR), direct rovings (DR)), glass chopped strands (CS), glass chopped strands mats (CSM). Specifically excluded from the scope of the product under consideration are glass wool, fibre glass wool, fibre glass insulation in wool form, glass yarn, glass woven fabrics, glass fibre fabric, glass woven rovings and chopped strands meant for thermoplastic applications, micro glass fibre with fibre diameter in the range of 0.3 to 2.5 microns, surface mat/surface veil/tissue.”

H FURTHER PROCEDURE

14. An appeal against the order of the Central Government arising out of this Final Findings Notification shall lie before the Customs, Excise and Service Tax Appellate Tribunal in accordance with the relevant provisions of the Customs Tariff Act, 1975.

(J.S. Deepak)
Designated Authority