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File No. 6/16/2022-DGAD

Government of India

Department of Commerce

Ministry of Commerce & Industry

(Directorate General of Trade Remedies)

4th Floor, Jeevan Tara Building, Parliament Street, New Delhi

Dated the 30th December, 2022

INITIATION NOTIFICATION

Case No. AD (O1) -16/2022

Subject: Initiation of anti-dumping investigation concerning imports of “Printed Circuit Boards (PCB)” originating in or exported from China PR and Hong Kong.

1. F. No. 6/16/2022-DGTR The Indian Printed Circuit Association (IPCA) (hereinafter also referred to as the “applicant association” or the “applicant” or the “petitioner”) has filed an application before the Designated Authority (hereinafter also referred to as the “Authority”) on behalf of the domestic industry, in accordance with 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 for Determination of Injury) Rules, 1995, as amended from time to time (hereinafter also referred to as the “Rules” or the “AD Rules”) for initiation of an anti-dumping investigation concerning imports of “Printed Circuits Boards (PCB)” (hereinafter referred to as the “subject goods” or the “product under consideration”), originating in or exported from China PR and Hong Kong (hereinafter referred to as the “subject countries”).
2. The applicant association has alleged that material injury and threat to material injury is being caused to the domestic industry due to dumped imports of the subject goods originating in or exported from the subject countries and has requested for the imposition of anti-dumping duty on the import of the subject goods originating in or exported from the subject countries.

A. PRODUCT UNDER CONSIDERATION

3. The product under consideration (PUC) in the application is Printed Circuit Boards (PCBs). A Printed Circuit Board is a bare board which is supplied with layout data or artwork and used to mount components. A PCB is manufactured and sold as single-side, double-side or multiple layers. The scope of the product under consideration in the present investigation is limited up to six-layer PCB. The following PCBs are excluded from the scope of the product under consideration:-
 - a. PCBs with more than 6 layers;
 - b. PCBs for use in mobile phone applications;
 - c. Populated printed circuit boards of all sizes.

4. The product under consideration is classified under Chapter 85 and under the tariff heading 8534 0000 "Printed Circuits" of the Schedule I to the Customs Tarrif Act. However, the applicant has claimed that there is a possibility of import of product under consideration under any other heading / tariff item. The HS classification for the product under consideration is only indicative and in no way binding upon the product scope.

5. The PCBs are mainly used to provide electrical connection and mechanical support to the electrical components of a circuit. A PCB is assembled with electronic components like transistors, resistors, capacitors etc. In the assembly process which happens at the customer's end, a PCB is populated (or "stuffed") with electronic components to form a functional printed circuit assembly (PCA) which is also called a "printed circuit board assembly"(PCBA). Populated/stuffed printed circuit boards are used in all kinds of electronic circuits, from simple transistor amplifiers to the biggest super computers. PCBA are used in cars, telephones, ovens, toys, televisions, computers, lighting solutions etc.

Product Control Number (PCN)

6. The applicant association in the application has proposed Product Control Numbers (PCNs) as below for making a fair comparison of the imported product with the like article produced by the domestic industry-

| S. No | Criteria-1-Layer | PCN for Parameter-1 (2 digits) | Criteria-2-Material Type | PCN for Parameter-2 (2 digits) | Final PCN | Explanation |
|-------|------------------|--------------------------------|--------------------------------|--------------------------------|-----------|---|
| 1 | Single | SS | Paper phenolic | PP | SSPP | Single Side PCB made from Paper Phenolics |
| 2 | | SS | Glass epoxy | GE | SSGE | |
| 3 | | SS | Composite Epoxy | CE | SSCE | |
| 4 | | SS | MCPCB (ALUMINIUM BACKING) | MC | SSMC | |
| 5 | | SS | Flexible | FL | SSFL | |
| 6 | Double | DS | Glass epoxy | GE | DSGE | |
| 7 | | DS | Composite Epoxy | CE | DSCE | |
| 8 | | DS | Ceramic based | CR | DSCR | |
| 9 | | DS | MCPCB (ALUMINIUM BACKING) | MC | DSMC | |
| 10 | | DS | Polytetrafluoroethylene (PTFE) | PT | DSPT | |
| 11 | | DS | Radio Frequency | RF | DSRF | |
| 12 | 4 layers | 4L | Glass epoxy | GE | 4LGE | |
| 13 | 6 layers | 6L | Glass epoxy | GE | 6LGE | |

7. The parties to the investigation can provide their comments on the proposed PUC/PCNs for the purpose of this investigation, if any, within thirty (30) days from the date of initiation of this investigation.

LIKE ARTICLE

8. The applicant association has claimed that there is no known difference in the subject goods produced by the domestic industry and the subject goods imported from the subject countries. Both the goods are comparable in terms of physical & chemical characteristics, functions & uses, pricing, distribution & marketing, and tariff classification of the goods. The Authority notes that the two products are technically and commercially substitutable. The consumers have used and are using the two products interchangeably. Therefore, for the purpose of the present investigation, the subject goods produced by the domestic industry are being treated as 'like article' to the subject goods imported from the subject countries.

B. SUBJECT COUNTRIES

9. The application has been filed in respect of the dumped imports of the product under consideration from China PR and Hong Kong.

C. PERIOD OF INVESTIGATION (POI)

10. The period of investigation for the present investigation is from 1st July 2021 to 30th June 2022 (12 months). The injury investigation period will be 1st April 2018 to 31st March 2019, 1st April 2019 to 31st March 20, 1st April 2020 to 30th June 2021 (15 months) and the POI.

D. DOMESTIC INDUSTRY AND STANDING

11. The application has been filed by the Indian Printed Circuit Association (IPCA) on behalf of its member companies producing PCB. It has been claimed that there are close to 200 manufacturers of PCBs in India, most of whom are small and in the unorganized sector. The Indian manufacturers of PCBs are also in MSME sector and fragmented across India. The applicant association had filed the application with three member companies as applicants providing the complete information in the formats prescribed by the Authority with the support from nine other member companies manufacturing PCBs in India.

12. Subsequently, the applicant association requested the Authority that the present application may be treated as filed in terms of Trade Notice No. 09/2021 dated 29th July 2021 as amended by Trade Notice No. 11/2021 dated 18th November 2021, which states that in case the domestic industry is fragmented, the application may be filed by an association on behalf of the domestic producers provided such domestic producers must constitute a major proportion of the total eligible domestic production of like article as per Rule 2(b) and Rule 5 (3) (a) of the AD Rules. Accordingly, its six member companies filed the relevant information as prescribed in Annexure-I and the applicant association has also met the pre-requisites prescribed under Annexure II of Trade Notice 09/2021 as amended by Trade Notice No. 11/2021 dated 18th November 2021. The applicant association has claimed that its member companies producing PCB constitute 80-90% of the total production of the like article in India as per Rule 5(3)(a) of the AD Rules. The six applicant producers who have provided the relevant data for the current application constitute more than 25% of the total Indian production. The domestic producers who have provided the data as per Annexure-I, have certified that they have not imported the product under consideration from the subject countries. Further, they are neither related to any producer/ exporter of the product under consideration in the subject countries nor to the importers of the subject goods in India.
13. The total production of the companies who have provided the relevant data and the companies who have expressly supported the application constitutes 39.82% of the total domestic production of the PUC in India. Hence, the present application fulfils the requirement of Rule 2(b) read with Rule 5 of the AD Rules.
14. On the basis of the information available, the Authority is satisfied 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 and the Trade Notice 09/2021 dated 29th July 2021 as amended by Trade Notice No. 11/2021 dated 18th November 2021.

E. BASIS OF ALLEGED DUMPING

Normal value for China PR

15. The applicant association has claimed that in terms of Article 15(a)(i) of China's Accession Protocol and Para 7 of the Annexure-I to the AD Rules, the normal value of

producers of China PR may be determined based on the cost or domestic selling price prevailing in China PR only if the responding producers from China PR demonstrate that their cost and price information are based on market driven principles and allow for fair comparison in terms of paras 1 to 6 of Annexure-I to the AD Rules, failing which, normal value for the producers from the subject country be determined based on paras 7 and 8 of Annexure-I to the AD Rules.

16. The applicant association has also claimed that the data relating to cost or price in a market economy third country or recourse to other alternative methods is not available at this stage. The normal value has been, therefore, constructed based on the best estimates of the cost of the production in India of the subject goods as per the best information available after duly adjusting the selling, general and administrative expenses with reasonable profit margin.

Normal value for Hong Kong

17. The applicant association has claimed that the domestic cost and selling prices of PUC in Hong Kong is not available. The normal value has been, therefore, constructed based on the best estimates of the cost of the production in India of the subject goods as per the best information available after duly adjusting the selling, general and administrative expenses with reasonable profit margin

Export Price

18. The applicant association has taken the CIF price of imports into India reported as per secondary source data and claimed adjustments on account of ocean freight, marine insurance, commission, bank charges, port expenses, inland freight, loading and unloading charges, to determine the ex-factory export price.

Dumping Margin

19. The applicant has claimed that the PUC is a customised product and is produced and sold on the basis of specifications provided by the customers. The PUC is manufactured and sold in varying sizes based on customer requirements which may range from a few square millimetres to hundreds of square millimetres. For a particular type of PCB, the per square meter cost will be same but the per no. cost will widely vary depending upon its size. Thus, it is claimed that the comparison of cost and price of PUC should be done

on square meter basis. The domestic industry has provided the cost and price information on square meter basis.

20. Thus, the normal value and the export price have been compared on square meter basis at the ex-factory level wherever identifiable in the import data, which *prima facie* shows that the dumping margin is above the de-minimis level and is significant in respect of the product under consideration from the subject countries. Thus, there is sufficient *prima facie* evidence that the product under consideration from the subject countries is being dumped in the domestic market of India by the exporters from the subject countries.

F. INJURY AND CAUSAL LINK

21. Information furnished by the applicant association has been considered for assessment of injury to the domestic industry. The applicant association has provided *prima facie* evidence with respect to the injury suffered by the domestic industry because of the alleged dumped imports in the form of increased volume of dumped imports in absolute as well as in relative terms in comparison to the production and consumption in India. There exists *prima facie* evidence that the domestic industry has suffered injury and threat to injury due to the alleged dumped imports from the subject countries.

G. INITIATION OF ANTI-DUMPING INVESTIGATION

22. On the basis of the duly substantiated written application by the IPCA on behalf of the domestic producers, and having satisfied itself, on the basis of the *prima facie* evidence submitted, about dumping of the subject goods 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 AD Rules, the Authority, hereby, initiates an investigation to determine the existence, degree and effect of any alleged dumping in respect of the subject goods 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.

H. PROCEDURE

23. The principles as stipulated under Rule 6 of the AD Rules shall be followed in the present investigation.

I. SUBMISSION OF INFORMATION

24. All communication should be sent to the Designated Authority via email at the email addresses adg16-dgtr@gov.in, adv13-dgtr@gov.in, jd15-dgtr@gov.in and jd16-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.

25. The known producers/exporters in the subject countries, the Governments of the subject countries through their embassies in India, the importers and users in India who are known to be associated with the subject goods are being informed separately to enable them to file all the relevant information within the time limits mentioned in para 28 of this notification. All such information must be filed in the form and manner as prescribed by this initiation notification, the AD Rules and the applicable trade notices issued by the Authority.

26. Any other interested party may also make its submissions relevant to the investigation in the form and manner prescribed by this initiation notification, the AD Rules and the applicable trade notices issued by the Authority within the time-limit mentioned in this initiation notification.

27. 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.

28. 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.

J. TIME LIMIT

29. Any information relating to the present investigation should be sent to the Designated Authority via email at the email addresses adg16-dgtr@gov.in, adv13-dgtr@gov.in, jd15-dgtr@gov.in and jd16-dgtr@gov.in within thirty (30) days from the date of receipt of the notice as per Rule 6(4) of the 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 AD Rules.
30. 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.
31. Where an interested party seeks additional time for filing of submissions, it must demonstrate sufficient cause for such extension in terms of Rule 6(4) of the AD Rules and such request must come within the time stipulated in this notification.

K. SUBMISSION OF INFORMATION ON A CONFIDENTIAL BASIS

32. Where any party to the present investigation makes confidential submissions or provides information on a confidential basis before the Authority, it is required to simultaneously submit a non-confidential version of such information in terms of Rule 7(2) of the AD Rules and in accordance with the relevant trade notices issued by the Authority in this regard. Failure to adhere to the above may lead to rejection of the response / submissions.
33. 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.

34. The submissions must be clearly marked as "confidential" or "non-confidential" at the top of each page. Any submission which has been made to the Authority without such markings shall be treated as "non-confidential" information by the Authority, and the Authority shall be at liberty to allow the other interested parties to inspect such submissions.
35. 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.
36. The non-confidential version of the information filed by the interested parties 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.
37. The non- confidential summary must be in sufficient detail to permit a reasonable understanding of the substance of the information furnished on a 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 containing a sufficient and adequate explanation in terms of Rule 7 of the AD Rules and appropriate trade notices issued by the Authority, as to why such summarization is not possible must be provided to the satisfaction of the Authority. The other interested parties can offer their comments on the confidentiality claimed within seven (7) Days of receipt of the non-confidential version of the documents.
38. 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 summary form, it may disregard such information.

39. Any submission made without a meaningful non-confidential version thereof or without a good cause statement in terms of Rule 7 of the AD Rules and appropriate trade notices on the confidentiality claim shall not be taken on record by the Authority.

40. 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.

L. SHARING OF RESPONSES/SUBMISSIONS AMONGST INTERESTED PARTIES

41. A list of registered interested parties will be uploaded on the DGTR's website along with the request therein to all of them to email the non-confidential version of their submissions to all other interested parties since the public file will not be accessible physically due to the ongoing global pandemic.

M. NON-COOPERATION

42. In case any interested party refuses access to, or otherwise does not provide necessary information within a reasonable period or within the time stipulated by the Authority in this initiation notification, or significantly impedes the investigation, the Authority may declare such interested party as non-cooperative and 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)

Designated Authority