

To be published in Part-I Section I of the Gazette of India Extraordinary
File No 6/06/2023-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

Dated: 29th December, 2023

INITIATION NOTIFICATION
Case No. AD (OI)-06/2023

Subject: Initiation of anti-dumping investigation concerning imports of "Acrylic Solid Surfaces" originating in or exported from China PR.

1. M/s Stylam Industries Limited (hereinafter also referred to as the "applicant" or the "petitioner") has filed an application before the Designated Authority (hereinafter 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 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, as amended from time to time (hereinafter referred to as the "Rules" or the "AD Rules"), for initiation of an anti-dumping investigation concerning imports of "Acrylic Solid Surfaces" (hereinafter referred to as "subject goods" or "product under consideration" or "PUC"), originating in or exported from China PR (hereinafter referred to as "subject country").
2. The applicant has alleged that material injury and threat of material injury is being caused to the domestic industry due to the dumped imports, originating in or exported from the subject country and has requested for the imposition of anti-dumping duty on the imports of the subject goods from the subject country.

A. PRODUCT UNDER CONSIDERATION (PUC)

3. The product under consideration is "Acrylic Solid Surfaces" originating in or exported from China PR. Acrylic Solid Surfaces are non-porous, low-maintenance, manmade materials produced from Methyl Methacrylate resin (MMA), Aluminium Hydroxide and Pigments as the key raw materials and are used for surfaces such as countertops and can be inferred

as a trendy building material with peerless hygiene and aesthetic properties. It can mimic the appearance of granite, marble, stone, and other naturally occurring materials, and can be joined nearly invisibly by a trained craftsman. The product under consideration is used in seamless countertop installations and also for a wide range of applications, for residential and commercial purposes such as in kitchen countertops, sinks, bathrooms, furniture fittings, wall cladding etc. Acrylic Solid Surfaces are also used in commercial spaces such as offices, retail outlets, malls, hotels and bars, hospitals and clinics etc.

4. Acrylic Solid Surfaces are typically manufactured in sheet form in sizes such as 760mmX2440mm, 760mmX3660mm etc. for fabrication into finished countertops, commonly in thicknesses such as 6mm, 12mm etc., they can also be cast into a variety of shapes, including sinks, shower pans and bathtubs. Subject goods in sheet form can also be heated and bent into three-dimensional shapes using a process called thermoforming, which adds to the versatility of the product. There are more colour and design options available in the subject goods in comparison to natural stones which has over the period contributed to the demand for subject goods.
5. The product descriptions as per the import information shows that the importers have used descriptions such as 100% Acrylic solid surfaces, Pure Acrylic solid surfaces, Corian Sheets, Hi Macs Acrylic Sheets, Montelli Sheets made of PMMA, PMMA Sheets, Staron Solid Surface, Krion Methyl Methacrylic Resin Solid Surface Sheet, Methyl Methacrylic Resin Sheets etc while importing the subject goods from subject country.
6. The product under consideration as considered in the application covers Acrylic Solid Surfaces irrespective of their thicknesses wherein the unit of measurement considered is weight of the product reported in Kilograms (Kg).
7. The product under consideration is classified under Chapter 39 of the Customs Tariff Act, 1975 and the code 3920. The product has been imported under the subheadings- 39205111, 39205119, 39205199, 39206390, 39219039, 39269069 and 35069999. However, it is possible that the subject goods may also be imported under other headings and therefore, the customs tariff heading is indicative only and is not binding on the scope of the product.

8. The applicant has not proposed any PCNs in the present application. The interested parties may offer their comments/submissions on the PUC/ PCN, if any, within thirty days from the date of date of initiation of this investigation.

B. LIKE ARTICLE

9. The applicant has claimed that the subject goods, which have been alleged to be dumped in India, are identical to the goods produced by the domestic industry. There are no known differences in the technical specifications, quality, functions and end use of the two products. The Authority notes that the two are *prima facie* technically and commercially substitutable. Therefore, for the purpose of the present investigation, the subject goods produced by the applicant in India are being treated as 'Like Article' to the subject goods being imported from the subject country.

C. SUBJECT COUNTRY

10. The applicant has filed petition proposing China PR and Japan as the subject countries. However, the Authority has considered only "China PR" as a subject country, since the dumping margin was negative in case of Japan.

D. PERIOD OF INVESTIGATION (POI)

11. The period of investigation (POI) adopted by the Authority for the present investigation is 1st April 2022 to 30th June 2023. The injury investigation period covers the periods 1st April 2019 - 31st March 2020, 1st April 2020 - 31st March 2021, 1st April 2021 - 31st March 2022 and the POI.

E. DOMESTIC INDUSTRY AND STANDING

12. The application has been filed by M/s Stylam Industries Limited. The applicant has claimed that it is the largest producer of the subject goods in India constituting more than 80% of the Indian production of the subject goods during the POI and therefore, has the requisite standing to file the present application. The applicant has further stated that it has not imported the PUC from the subject country and is not related to any exporters in the subject country nor to any importers in India.

13. The Authority notes, after due examination, that the applicant constitutes eligible domestic industry in terms of the provisions of Rule 2(b) and the application satisfies the criteria of standing in terms of Rule 5(3) of the Rules.

F. BASIS OF ALLEGED DUMPING

a. Normal Value

14. The applicant 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 for Chinese producers may be determined based on the cost or domestic selling price prevailing in China PR, only if the responding Chinese producers 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 Chinese producers must be determined based on paras 7 and 8 of Annexure-I to the Rules.
15. The applicant 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. The normal value, for the purpose of initiation of the investigation, has been constructed based on the best estimates of the cost of the production of the domestic industry of the subject goods as per the best information available after duly adjusting the selling, general and administrative expenses with reasonable profits.

b. Export Price

16. The export price for the subject goods has been computed based on the Directorate General of Commercial Intelligence and Statistics (DGCI&S) transaction-wise import data. Appropriate price adjustments have been claimed to make the prices at ex-factory levels so that they become comparable with the normal value.

c. Dumping Margin

17. The normal value and the export price have been compared at the ex-factory level, which *prima facie* shows that the dumping margin is above the *de-minimis* level and is significant with respect to the product under consideration exported from the subject country. Thus, there is sufficient *prima facie* evidence that the product under consideration from the subject country is being dumped in the Indian market by the exporters from the subject country.

G. INJURY AND CAUSAL LINK

18. Information furnished by the applicant has been considered for assessment of injury to the domestic industry. The applicant has furnished evidence regarding the injury that took place as a result of the alleged dumping in the form of an increased volume of dumped imports in absolute terms and in relation to consumption in India, increase in the inventory levels, positive price undercutting & underselling and price suppressing effect on the domestic industry. The applicant contends that the subject imports have had an adverse impact on the profitability parameters of the domestic industry due to which the domestic industry suffered losses leading to negative PBT, PBIT and ROCE throughout the injury period. The applicant has claimed that the actual performance in the POI has been much lower than the projected levels while setting up the plant which shows the establishment of the industry has been affected materially. There is sufficient *prima facie* evidence of injury being caused to the domestic industry by dumped imports of subject goods from the subject country.

H. INITIATION OF ANTI-DUMPING INVESTIGATION

19. On the basis of the duly substantiated written application by the domestic industry, and having satisfied itself, on the basis of the *prima facie* evidence submitted by the domestic industry, about dumping of the subject goods 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 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 country and to recommend the amount of anti-dumping duty, which if levied, would be adequate to remove the injury to the domestic industry.

I. PROCEDURE

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

J. SUBMISSION OF INFORMATION

21. All communication should be sent to the Designated Authority via email at the email addresses adg16-dgtr@gov.in, adv13-dgtr@gov.in, jd16-dgtr@gov.in and dd17-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, the Government of the subject country through their embassy in India, and 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 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. 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.

K. TIME LIMIT

24. Any information relating to the present investigation should be sent to the Designated Authority via email at the following email addresses adg16-dgtr@gov.in, adv13-dgtr@gov.in, jd16-dgtr@gov.in and dd17-dgtr@gov.in within thirty (30) days from the date on which it was sent by the Designated Authority or transmitted to the appropriate diplomatic representative of the exporting country 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.
25. 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.

L. SUBMISSION OF INFORMATION ON A CONFIDENTIAL BASIS

26. Any party making any confidential submissions or providing information on a 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.

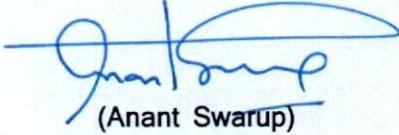
27. The parties making any submission (including Appendices/Annexures attached thereto), before the Authority including questionnaire response, are required to file confidential and non-confidential versions separately.
28. The "confidential" or "non-confidential" submissions must be clearly marked as "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.
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 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 why summarization is not possible must be provided to the satisfaction of the Authority. The other interested parties may offer their comments on the confidentiality claimed within 7 days of receiving the non-confidential version of the documents.
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 a good cause statement on the confidentiality claim shall not be taken on record by the Authority.

M. INSPECTION OF PUBLIC FILE

32. 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. Failure to circulate a non-confidential version of submissions/ responses/ information might lead to the consideration of an interested party as non-cooperative.

N. NON-COOPERATION

33. In case any interested party refuses access to, or otherwise does not provide necessary information within a reasonable period, 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