

Ministry of Commerce and Industry
(Directorate General of Anti-Dumping & Allied Duties)

INITIATION NOTIFICATION

New Delhi, dated 29th October, 2003

Subject: Initiation of anti-dumping investigations concerning imports of Nylon Tyre Cord Fabric (NTCF) originating in or exported from China PR.

No. 14/20/2003-DGAD. — The Association of Synthetic Fibre Industry (ASFI) has filed a petition on behalf of the members of the Association before the Designated Authority (hereinafter referred to as the Authority) in accordance with the Customs Tariff (Amendment) Act, 1995 and Customs Tariff (Identification, Assessment and Collection of Anti-Dumping Duty on Dumped Articles and for Determination of Injury) Rules, 1995 alleging dumping of Nylon Tyre Cord Fabric (NTCF) originating in or exported from China PR and has requested for initiation of anti-dumping investigations and levy of anti-dumping duties.

1. Product Involved: The product under investigation in the present case is Nylon Tyre Cord Fabric (NTCF) originating in or exported from Peoples Republic of China. The subject goods is a fabric of nylon, meant largely for tyre cord. NTCF finds application in different kinds of automotive tyres such as -bus & truck tyres, two wheeler tyres, cycle tyres, Light commercial Vehicles tyres, Animals Driven vehicles etc.

Nylon Tyre Cord fabric is produced using different deniers of yarn. The fabric is used for reinforcement of tyres. The product is sold as " Grey fabric " and also " Dipped fabric". The Indian Tyre Industry is buying both Grey and dipped fabric. Irrespective of this categorization, tariff classification of NTCF is common to both. All types of NTCF are within the scope of the product under consideration and are classified under Chapter 59, Custom subheading no. 5902.10.00 of the Custom Tariff Act. The classification is however indicative only and in no way binding on the scope of the present investigations.

2. Domestic Industry Standing:-

The Association of Synthetic Fibre Industries(ASFI) New Delhi has filed the petition on behalf of M/s SRF Limited, Chennai, M/s NRC Limited Mumbai, M/s Century Enka Limited Pune , and M/s Nirlon Ltd Mumbai who are the producers of NTCF in India and who are the members of the association.

3. Country(ies) Involved: The country involved in the present investigations is the Peoples Republic of China, (hereinafter referred to as China PR).

4. Like Goods: The petitioner has claimed that goods produced by it are Like Articles to the goods originating in or exported from China PR. In view of the same, it is stated that the subject goods (in various grades) produced by the domestic industry and imported from China PR are comparable in terms of essential product characteristic such as physical and chemical characteristic, manufacturing process and technology, function and uses, products specifications, pricing, distribution and marketing and tariff classification of goods. Both are technically and commercially substitutable. Good produced by the petitioner are being treated as Like Articles to the goods imported from the subject country within the meaning of the Rules.

5. Dumping and Dumping Margin:

Normal Value: The petitioners have claimed normal value in China on the basis of the constructed cost of production assessed separately for grey NTCF and dipped NTCF.

The Authority notes that China PR is stated in the petition to be a non-market economy. While, for the purpose of initiation, the normal value in this country has been considered based on the constructed cost of production of the subject goods in the said country, the Authority proposes to examine the claim of the petitioner in the light of para (7) and (8) of Annexure II of the Anti-Dumping Rules as amended.

Export price: The petitioners have claimed export price based on transactionwise data as per Customs ports provided by International Business Information Services. Considering the normal value and export price the dumping margins for Grey and Dipped NTCF are significantly higher than the de-minimis limit.

There is sufficient evidence that the normal value of the product under consideration in China PR is significantly higher than the price at which it has been exported to India, indicating, prima facie, that the subject goods are being dumped by the exporters from China PR.

6. Injury and Causal Link: The various economic indicators relating to domestic industry collectively and cumulatively, prima facie indicates that the domestic industry has suffered injury. There is sufficient prima facie evidence that the imports of the product under consideration have caused material injury to the domestic industry.

7. Initiation of Anti-Dumping Investigation: In view of the foregoing paragraphs, the Designated Authority initiates anti-dumping investigations to determine the

existence, degree and effect of alleged dumping of the subject goods originating in or exported from the subject country.

8. Period of Investigation: The period of investigation for the purpose of the present investigations is 1st April, 2002 to 30th June 2003 (15 months).

9. Submission of Information: The exporters in the subject country and the importers in India known to be concerned are being addressed separately to submit relevant information in the form and manner prescribed and to make their views known to the Designated Authority, Ministry of Commerce, Directorate General of Anti-Dumping, Udyog Bhavan, New-Delhi –110011. 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.

10. Time Limit: Any information relating to the present investigations should be sent in writing so as to reach the Authority at the address mentioned above not later than forty days from the date of publication of this notification. The known exporters and importers, who are being addressed separately, are, however, required to submit the information within forty days from the date of letter addressed to them separately. It may kindly be noted that no requests whatsoever shall be entertained for extension of the above-stated time limit for submission of the required information.

11. Anti-dumping investigations being a time bound exercise, the Designated Authority may record its findings on the basis of facts available on record in accordance with the Rules supra, if no response is received within the time stipulated or the information is incomplete in any respect.

12. Inspection of Public File: In terms of Rule 6(7), any interested party may inspect the public file containing non-confidential version of the evidence submitted by other interested parties.

13. 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.

(L.V. SAPTHARISHI)
DESIGNATED AUTHORITY