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No.14/3/2008-DGAD

**Government of India**  
**Department of Commerce**  
Ministry of Commerce & Industry  
(Directorate General of Anti-Dumping & Allied Duties)  
*Udyog Bhawan, New Delhi*  
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**Dated the 6<sup>th</sup> May 2008**

**INITIATION NOTIFICATION**

**Subject: Initiation of Anti-dumping investigations on imports of All Fully Drawn or Fully Oriented Yarn/Spin Draw Yarn/Flat Yarn of Polyester (FDY) from China PR, Thailand and Vietnam.**

**No.14/3/2008-DGAD**, The Association of Synthetic Fibre Industries on behalf of M/s Reliance Industries Ltd., M/s Gupta Synthetics Ltd., M/s Nova Petrochemicals Ltd. and M/s Chiripal Industries Ltd. has filed an application before the Designated Authority (herein after referred to as the Authority) in accordance with the Customs Tariff Act, 1975 as amended in 1995 and Customs Tariff (Identification, Assessment and Collection of Anti-Dumping Duty on dumped articles and for determination of injury) Rules, 1995(herein after referred to as Rules) for initiation of anti dumping investigation concerning alleged dumping of All Fully Drawn or Fully Oriented Yarn/Spin Draw Yarn/Flat Yarn of Polyester(FDY) (hereinafter

referred to as subject goods) originating in or exported from China PR, Thailand and Vietnam (hereinafter referred to as subject countries).

2. AND WHEREAS, the Authority finds that sufficient *prima facie* evidence of dumping of subject goods by the subject countries, injury to the domestic industry and causal links between the dumping and injury exist, the Authority hereby initiates an investigation into the alleged dumping, and consequent injury to the domestic industry in terms of the Rules 5 of the said Rules, to determine the existence, degree and effect of any alleged dumping and to recommend the amount of antidumping duty, which if levied would be adequate to remove the injury to the domestic industry.

#### **Domestic Industry**

3. Application has been filed by The Association of Synthetic Fibre Industries on behalf of M/s Reliance Industries Ltd., M/s Gupta Synthetics Ltd., M/s Nova Petrochemicals Ltd. and M/s Chiripal Industries Ltd. duly supported by M/s Indo Rama Synthetics Ltd., M/s Garden Silk, M/s Century Enka Ltd., M/s Petrofil Ltd., M/s JBF Industries Ltd. and M/s Wellspun Syntex Ltd. through M/s APJ-SLG Trade Law, New Delhi on behalf of the domestic industry. As per the evidence available applicant has the standing to file the case for anti dumping investigation on behalf of domestic industry as per Rule 2(b) and Rule 5(3)(a) of Anti Dumping Rules.

#### **Product under consideration**

4. The product under consideration is All Fully Drawn or Fully Oriented Yarn/Spin Draw Yarn/Flat Yarn of Polyester (non-textured and non-POY) and other yarns conforming to the tariff description of Customs Heading 5402.47 (hereinafter also being referred to as "subject goods"). The Customs classification is indicative only and is in no way binding on the scope of the present investigation. The above mentioned product in commercial market

parlance is generally known as “Fully Drawn Yarn” (FDY). The subject goods are used for manufacture of apparel/household textiles, and other industrial textiles. Technical specifications of the subject goods are defined in terms of their deniers, tenacities, lustres, colours (like semi dull, bright, super bright, full dull, Dope dyed), cross section and shrinkage.

#### **Like Articles**

5. The applicant has claimed that the subject goods, which are being dumped into India, are identical to the goods produced by the domestic industry. There are no differences either in the technical specifications, quality, functions or end-uses of the dumped imports and the domestically produced subject goods. There is no difference in the dumped goods and the product under consideration manufactured by the petitioners. The two are technically and commercially substitutable and hence should be treated as ‘like articles’ under the Anti-dumping Rules. Therefore, for the purpose of the present investigation, the subject goods produced by the applicant in India are being treated as ‘Domestic Like Article’ to the subject goods being imported from the subject countries.

#### **Countries involved**

6. The countries involved in the present investigation are China PR, Thailand and Vietnam.

#### **Normal Value**

7. The Authority notes that the applicant has proposed that Taiwan be treated as market economy third country for determining normal value for China PR and Vietnam. For this purpose the applicant has constructed the normal value for Taiwan. For Thailand, the normal value has been constructed for Thailand. The Authority has *prima-facie* considered the normal value of subject goods in subject countries on the basis of constructed

values as made available by the applicants and it has been considered by the Authority for the purpose of initiation.

#### **Export Price**

8. The export prices have been claimed on the basis of data obtained from Immortal Computer Lab Pvt. Ltd., Mumbai. Price adjustments have been claimed on account of Ocean freight, marine insurance, port handling and port charges, sales commissions etc. to arrive at the net export price. There is sufficient evidence of export prices and the adjustments claimed by the applicants for the subject goods from the subject countries.

#### **Dumping Margin**

9. There is sufficient evidence that the normal values of the subject goods in the subject countries are significantly higher than the net export prices indicating prima-facie that the subject goods are being dumped by the exporters from the subject countries.

#### **Injury and Causal Link**

10. The applicants have furnished evidence regarding the injury having taken place as a result of the alleged dumping in the form of increased volume of dumped imports, price undercutting, price underselling, price depression, price suppression and substantial decline in profitability for the domestic industries. There is sufficient prima-facie evidence of the material injury being suffered by the applicants caused by dumped imports from subject countries.

#### **Period of Investigation**

11. The period of investigation (POI) for the purpose of present investigation is 1<sup>st</sup> October 2006 to 30<sup>th</sup> September 2007 (12 months). The injury investigation period will however cover the periods April,2004-March,05, April,2005–March,2006, April,2006-March,2007 and the POI.

### **Retrospective imposition of duties**

12. The applicant has requested for retrospective imposition of duty on the ground that there is a history of dumping and injury to the domestic industry. It has also been stated that imports have gone up significantly in absolute as well as relative terms subsequent to the imposition of anti-dumping duties on certain countries clearly indicating that injury is caused by massive dumping in a relatively short time. The interested parties may make their submissions in this regard.

### **Submission of information**

13. The exporters and importers known to be concerned and domestic industry are being informed separately to enable them to file all information relevant in the form and manner prescribed. Any other party interested to participate in the present investigation may write to:

#### **The Designated Authority**

**(Directorate General of Anti-Dumping & Allied Duties)**

**Government of India**

***Ministry of Commerce & Industry***

**Department of Commerce**

**Udyog Bhavan, New Delhi-110011.**

### **Time limit**

14. Any information relating to this investigation should be sent in writing so as to reach the Authority at the above address not later than 40 days from the date of publication of this notification. If no information is received within the prescribed time limit or the information received is incomplete, the Authority may record their findings on the basis of the facts available on record in accordance with the Rules supra.

### **INSPECTION OF PUBLIC FILE**

15. In terms of rule 6(7) any interested party may inspect the public file containing non-confidential versions of the evidence submitted by other interested parties.

16. All interested parties shall provide a confidential and non-confidential summary in terms of Rule 7 (2), for the confidential information provided as per Rule 7 (1) of the Rules supra.

17. In case any interested party refuses access to and 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 Governments as deemed fit.

**(R. Gopalan)**  
**The Designated Authority**