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Government of India
Department of Commerce
Ministry of Commerce & Industry
(Directorate General of Anti-Dumping & Allied Duties)
Udyog Bhawan, New Delhi

Dated the – 11 the March 2014

INITIATION NOTIFICATION

Sub:- Initiation of investigation for imposition of anti-dumping duty on imports of certain Hot-Rolled Flat Products of Stainless Steel 304 series originating or exported from China PR, Republic of Korea and Malaysia.

No.14/30/2013-DGAD– M/s Jindal Stainless Limited, New Delhi have 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 certain Hot Rolled Flat Products of Stainless Steel of ASTM Grade 304 with all its variants (hereinafter referred to as subject goods) originating in or exported from China PR, Republic of Korea and Malaysia (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 link between the dumping and injury exist, the Authority hereby initiates an investigation into the alleged dumping, and consequential injury to the domestic industry in terms of the Rules 5 of the said Rules, to determine the existence, degree and effect of alleged dumping and to recommend the amount of antidumping duty, which if levied would be adequate to remove the injury to the domestic industry.

Product under consideration

3. The product under consideration in the present petition is “Hot Rolled austenitic stainless steel flat products; whether or not plates, sheet or coils (hot-rolled Annealed and Pickled or Black) of rectangular shape; of grade either 304 or 304H or 304L or 304N or 304LN or EN 1.4311, EN 1.4301, EN 1.4307 or X5CRNI1810 or X04Cr19Ni9, or equivalents thereof in any other standards such as UNS, DIN, JIS, BIS, EN, etc.; whether or not with number one or Black finish; whether or not of quality prime or non prime; whether or not of edge condition with mill edge or trim edge; of thickness in the range of 1.2mm to 10.5mm in Coils and 3mm to 105mm in Plates & Sheets; of all widths up to 1650 mm; of all lengths up to 10,000 meters in Coils and 10 Meters in Plates.”

4. The subject goods are used for manufacture of process equipments, re-rolling, reactor vessels, material handling equipments, railways, pipes & tubes, automotive components, rolled formed sections, architecture, building & construction, industrial fabrication, power sector, etc. Essential product properties of domestic product are identical to the imported goods in terms of essential product properties.

5. The subject goods is classified Chapter 72 of the Customs Tariff Act, 1975, under customs sub-heading 7219 and 7220. The classification is however only indicative and in no way binding on the scope of the present investigation.

Like Articles

6. The applicant has claimed that the goods produced by them are “like articles” to the goods originating in or exported from the subject countries. The subject goods produced by the domestic industry and imports from subject countries have comparable characteristics in terms of parameters such as physical & chemical characteristics, functions & uses, product specifications, pricing, distribution & marketing and tariff classification, etc. Subject goods produced by the domestic industry are identical to the imported goods in terms of essential product properties. Therefore, for the purpose of investigation, the subject goods produced by the applicant are being treated as like articles to the goods imported from subject countries within the meaning of the Anti Dumping Rules.

Domestic Industry

7. The application has been filed by M/s Jindal Stainless Limited, New Delhi. The applicant has provided information relevant to the present investigation. The production of the applicant company constitutes a major proportion in total production of the like product produced in India. It is also noted that applicant has not imported the product under consideration, nor are they related to an importer or exporter of the product under consideration. It is thus determined that the application has been made by or on behalf of the domestic industry and the application satisfies the requirements of ‘standing’ under Rule 5 of the AD Rules. Further, the Applicant constitutes ‘Domestic Industry’ in terms of Rule 2(b) of the AD Rules.

Countries involved

8. The countries involved in the present investigation are China PR, Republic of Korea and Malaysia.

Normal Value

9. The Applicant has claimed that China PR should be treated as Non-Market Economy and therefore the normal value should be determined in accordance with Para 7 and 8 of Annex-I of the Rules. Applicant has submitted that it not been able to procure such information from a producer in market economy third country and has therefore

determined Normal Value in China PR on the basis of cost of production in India duly adjusted.

10. As regards normal value for Republic of Korea and Malaysia, the Applicant has submitted that efforts were made to get information/evidence of price of subject goods in the domestic market of subject countries. However, Applicant was not able to get such information. The Applicant has therefore constructed normal value for all subject countries on the basis of cost of production in India duly adjusted.

11. The Authority examined the claim of the Applicant and notes that there is sufficient prima facie evidence of normal value of the subject goods in the subject countries.

Export Price

12. The applicants have claimed export price for product under consideration based on the data procured from secondary source, IBIS, Mumbai to assess the volume and value of imports in India. Price adjustments have been made on account of ocean freight, marine insurance, commission, port expenses, inland freight expenses, bank charges, VAT difference (only for China). There is sufficient prima facie evidence of net export price of the subject goods in the subject countries

Dumping Margin

13. The applicant has provided sufficient evidence that the normal values of the subject goods in the subject countries are significantly higher than the net export prices, prima-facie indicating that the subject goods originating in or exported from the subject countries are being dumped, to justify initiation of an antidumping investigation.

Injury and Causal Link

14. The applicant has claimed that they have suffered material injury and have furnished evidence regarding injury having taken place as a result of the alleged dumping from subject countries in terms of increase in imports in absolute terms, lack in improvement of sales, market share, production and capacity utilization to the expected levels despite addition of capacities and imposition of anti dumping duties on other sources and significant deterioration in profits, return on capital employed and cash profit etc.

15. The applicant has also claimed adverse price effects as evidenced by price depression and price undercutting. The Authority considers that there is sufficient evidence of 'injury' being suffered by the applicant caused by dumped imports of subject goods from subject countries to justify initiation of an antidumping investigation.

Initiation of Investigations

16. The Authority finds that sufficient prima facie evidence of dumping of the subject goods originating in or exported from the subject countries, 'injury' to the domestic industry and causal link between the dumping and 'injury' exist to justify initiation of an anti-dumping investigation. The Authority hereby initiates an investigation into the alleged dumping, and consequent injury to the domestic industry in terms of the Rules of the AD Rules, to determine the existence, degree and effect of alleged dumping and to recommend the amount of antidumping duty, which if levied would be adequate to remove the 'injury' to the domestic industry.

Period of Investigation

17. The period of investigation (POI) is April, 2012 – June, 2013 (15 months) for the purpose of present investigation. The injury investigation period will however cover the periods April 2009-March 2010, April 2010-March 2011, April 2011 to March 2012 and the POI.

Submission of information

18. The known exporters in the subject countries and their Governments through their Embassies in India, importers and users in India known to be concerned and the domestic industry are being informed separately to enable them to file all information relevant in the form and manner prescribed. Any other interested party may also make its submissions relevant to the investigation within the time-limit set out below and 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

19. 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 AD Rules.

Submission of Information on Non-Confidential basis

20. In terms of Rule 6(7) of the Anti-dumping Rules, the interested parties are required to submit non-confidential summary of any confidential information provided to the

Authority and if in the opinion of the party providing such information, such information is not susceptible to summarization, a statement of reason thereof, is required to be provided.

21. In case confidentiality is claimed on any part of the questionnaire's response/submissions, the same must be submitted in two separate sets (a) marked as Confidential (with title, index, number of pages, etc.) and (b) other set marked as Non-Confidential (with title, index, number of pages, etc.). All the information supplied must be clearly marked as either "confidential" or "non-confidential" at the top of each page.

22. Information supplied without any mark shall be treated as non-confidential and the Authority shall be at liberty to allow the other interested parties to inspect any such non confidential information. Two (2) copies each of the confidential version and the non confidential version must be submitted.

23. For information claimed as confidential, 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 and/or why summarization of such information is not possible.

24. The non-confidential version is required to be a replica of the confidential version with the confidential information preferably indexed or blanked out / 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 confidential basis. However, in exceptional circumstances, party submitting the confidential information may indicate that such information is not susceptible of summary; a statement of reasons why summarization is not possible, must be provided to the satisfaction of the Authority.

25. 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 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.

26. Any submission made without a meaningful non-confidential version thereof or without a good cause statement on the confidentiality claim may not be taken on record by the Authority. 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 confidential information.

27. Notwithstanding anything contained in para above, if the Authority is satisfied that the request for confidentiality is not warranted or the supplier of the information is either unwilling to make the information public or to authorize its disclosure in a generalised or summary form, it may disregard such information.

Inspection of Public File

28. 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.

Non-cooperation

29. 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.

(J.S.Deepak)

Designated Authority