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**File No. 6/4/2019-DGTR**  
**Government of India**  
**Department of Commerce**  
**Ministry of Commerce & Industry**  
**(Directorate General Trade Remedies)**  
**4th Floor, Jeevan Tara Building, Parliament Street, New Delhi**

**Dated: 2<sup>nd</sup> April, 2019**

**Case No. (O.I.) 04/2019**

**INITIATION NOTIFICATION**

**Subject: Initiation of Anti-dumping investigation on the imports of “Aluminium and Zinc coated flat products” originating in or exported from China PR, Vietnam and Korea RP.**

F. No. 6/4/2019-DGTR: M/s JSW Steel coated Products Limited, (hereinafter referred to as “petitioner/Applicant”) has filed an application before the Designated Authority (hereinafter also referred to as the Authority) in accordance with the Customs Tariff Act, 1975 as amended from time to time (hereinafter also referred to as the Act) and 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 also referred to as the Rules) for initiation of anti-dumping investigation and imposition of anti-dumping duty concerning imports of flat rolled product of steel, plated or coated with alloy of Aluminum and Zinc, from China PR, Vietnam and Korea RP (hereinafter also referred to as the ‘subject countries’).

**Product under consideration**

2. The product under consideration (PUC) for the purpose of present investigation is :

*“Flat rolled product of steel, plated or coated with alloy of Aluminium and Zinc. This alloy of Aluminium and Zinc may contain one or more additional elements which in individual or in combination shall not exceed 3% by weight.”*

3. The PUC may be in coil form or not in coil form whether or not plain, corrugated or in profiled form. The PUC may be skin-passed / processed on temper-mill or non-skin-passed whether or not surface treated with or without additional non-metallic coating. PUC may be supplied in various trade names including but not limited to Alu-Zinc, Al-Zn, Zinc Aluminum, Aluminum Zinc, Zinalume, Galvalume etc.
4. The PUC offers resistance to corrosion, and is used in many applications and sectors including but not limited to infrastructure projects, solar power projects, roofing, walling decking, cladding and framing, white goods and appliances, furniture and substrate for colour coated steel.
5. PUC does not include the following products: -
  - i. Flat rolled steel products coated with Zinc without addition of Aluminium;
  - ii. Flat rolled color coated steel products
6. The PUC falls under tariff items 72106100, 72125090, 72259900 and 72269990 of the Customs Tariff Act, 1975. The PUC is also being imported under other Customs Tariff Items 72101290, 72103090, 72104900, 72106900, 72107000, 72109090, 72121090, 72122090, 72123090, 72124000, 72169910, 72255010, 72259100, 72259200, 72269930 etc. The customs classification is indicative only and is in no way binding on the scope of the present investigation.

### **Like Article**

7. Rule 2(d) with regard to like article provides as under: -

*"like article" means an article which is identical or alike in all respects to the article under investigation for being dumped in India or in the absence of such article, another article which although not alike in all respects, has characteristics closely resembling those of the articles under investigation;*

8. The petitioner has submitted that the PUC produced by the petitioner company and the PUC imported from the subject countries are like articles. There is no known difference between the PUC exported from subject countries and that produced by the petitioner. PUC produced by the petitioner and imported from

subject countries is comparable in terms of essential product characteristics such as physical & chemical characteristics, manufacturing process & technology, functions & uses, product specifications, pricing, distribution & marketing and tariff classification of the goods. Consumers can use and are using the two interchangeably. The two are technically and commercially substitutable, and hence, should be treated as ‘like article’ under the Rules.

9. Therefore, for the purpose of the present investigation, the subject goods produced by the petitioner in India are being treated as ‘Like Article’ within the meaning of the Rule 2 (d) to the subject goods being imported from the subject countries.

#### **Domestic Industry & standing**

10. The Application has been filed by M/s JSW Steel Coated Products Limited, as domestic industry of the product under consideration. According to the Petitioner, they are the major producer of the PUC in India, account for more than 60% of the total production in India. The petitioner has certified that there are no imports of the product under consideration by the petitioner or any of its related party from the subject countries and they are not related either to any exporter or producer of the PUC in the subject countries or any importer of the PUC in India.
11. Apart from the petitioner, there are three other producers of the PUC in India, namely, M/s. Tata BlueScope Steel Private Limited, M/s. Tata Steel BSL Limited and M/s. Asian Colour Coated Ispat Limited. M/s However, M/s. Asian Colour Coated Ispat Limited has not produced the PUC from 2017 onwards.
12. The Authority, therefore, determines that the petitioner who presently holds a “major proportion” of the total domestic production, constitutes an eligible domestic industry in terms of Rule 2 (b) and also satisfies the criteria of standing in terms of Rule 5 (3) of the Rules.

#### **Countries involved**

13. The countries involved in the present investigation are China PR, Vietnam and Korea RP.

### **Normal Value**

14. The petitioner has claimed that China PR and Vietnam should be treated as a non-market economy countries and normal value in case of China PR and Vietnam should be determined in accordance with para-7 of Annexure I of the Rules. The petitioner has claimed normal value for the two countries on the basis of cost of production in India, duly adjusted.
15. The Petitioner has also submitted that there are significant market distortions prevailing in the steel industry in China PR due to significant state influence, etc. The petitioner has requested the Authority not to accept the costs and prices prevailing in China PR for determining the normal value unless producers/exporters in China PR are able to demonstrate that their costs and prices are not distorted. The Petitioner has also submitted that European Commission in its recently published report has examined the market distortions that exist in specific sectors in China PR and has found that there exists countrywide market distortions related to land, energy, capital, raw materials and labour in China PR.
16. Accordingly, while submitting the questionnaire response producers/exporters from China PR and Vietnam have to demonstrate prevalence of market condition related to manufacturing, production, and sales of subject good in the domestic market and in export to India and other countries. For this purpose, the producer/exporter from China PR and Vietnam, may clarify and provide sufficient information on the following:
  - a) Decision in regard to price, cost, input including raw material, cost of technology and labour, output, sales and investment, are without significant state interference and whether cost of major inputs substantially reflect market value.
  - b) Production costs and financial situation does not suffer from any distortion.
  - c) The producer/exporter are subject to bankruptcy and property law which guarantees legal certainty and stability for the operation of the firms.
  - d) Exchange rate conversions are carried out at the market rate.
17. Further, the petitioner has constructed the normal value for Korea RP based on the domestic price of Hot Rolled Coil prevailing in Korea RP and other raw material cost, conversion cost and other expenses as incurred by the Applicant in India duly adjusted for reasonable profit. The Authority has, therefore, for the

purpose of the initiation, decides to proceed with the normal value as constructed by the petitioner.

### **Export Price**

18. The applicant has computed the export price on the basis of data published by DGCI&S, Kolkata. Price adjustments have been claimed on account of ocean freight, marine insurance and port handling expenses, inland freight, bank charges, commission/traders profit, and non-refundable VAT (in case of China PR only). There is sufficient prima facie evidence with regard to the net export prices claimed by the petitioners.

### **Dumping Margin**

19. The normal value and the export price have been compared at ex-factory level, which prima facie show significant dumping margin in respect of the subject goods from the subject countries. There is sufficient prima facie evidence that the normal value of the subject goods in the subject countries is higher than the ex-factory export price, indicating, prima facie, that the subject goods are being dumped into the Indian market by the exporters from the subject countries.

### **Injury and Causal Link**

20. Information furnished by the petitioner has been considered for assessment of injury to the domestic industry. The petitioner has furnished evidence regarding the injury having taken place as a result of the alleged dumping in the form of increased volume of dumped imports in absolute terms and in relation to production and consumption in India, price suppression, price underselling, capacity utilization, profitability, cash profits and return on capital employed. There is sufficient prima facie evidence of the 'injury' being suffered by the domestic industry caused by dumped imports from subject countries to justify initiation of an antidumping investigation.

### **Initiation of Anti-Dumping investigations**

21. And whereas the Authority prima facie finds that sufficient 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 alleged 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 Rule 5 of the 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**

22. The period of investigation (POI) for the present investigation is from 1<sup>st</sup> October 2017 to 30<sup>th</sup> September 2018. The injury investigation period will, however, cover the periods April 2015-March 2016, April 2016-March 2017, April 2017-March 2018 and the POI.

### **Submission of information**

23. The known exporters in the subject countries and their Government through their Embassies in India, importers and users in India known to be concerned with the subject goods and the domestic industry 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.
24. 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. The information/submissions may be submitted to:

**The Designated Authority,  
Directorate General of Trade Remedies,  
Ministry of Commerce & Industry,  
Department of Commerce  
Government of India  
4th Floor, Jeevan Tara Building, 5, Parliament Street,  
New Delhi-110001**

25. Any party making any confidential submission before the Authority is required to make a non-confidential version of the same available to the other parties.

### **Time Limit**

26. Any information relating to the present investigation should be sent in writing so as to reach the Authority at the address mentioned above not later than forty days (40 days) from the date of the publication of initiation notification. 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.

27. 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 and offer their comments to the domestic industry's application within forty days (40 days) from the date of the publication of initiation notification. The information must be submitted in hard copies as well as in soft copies.

**Submission of information on confidential basis**

28. The parties making any submission (including Appendices/Annexure attached thereto), before the authority including questionnaire response, are required to file the same in two separate sets, in case "confidentiality" is claimed on any part thereof:

- i. one set marked as Confidential (with title, number of pages, index, etc.), and
- ii. the other set marked as Non-Confidential (with title, number of pages, index, etc.).

29. 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. Soft copies of both the versions will also be required to be submitted, along with the hard copies, in four (4) sets of each.

30. 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.

31. 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 confidential basis. However, in exceptional circumstances, 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.

32. 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.
33. Any submission made without a meaningful non-confidential version thereof or without good cause statement on the confidentiality claim shall not be taken on record by the Authority.
34. 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.

#### **Inspection of Public File**

35. In terms of Rule 6(7) of the AD Rules, any interested party may inspect the public file containing non-confidential version of the evidence submitted by other interested parties.

#### **Non-cooperation**

36. 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.

(Sunil Kumar)  
Additional Secretary & Designated Authority