INITIATION NOTIFICATION

Case No. SSR-06/2020

Subject: - Initiation of Sunset Review investigation concerning imports of All Fully Drawn or Fully Oriented Yarn/ Spin Drawn Yarn/ Flat Yarn of Polyester from China PR and Thailand.

1. Association of Synthetic Fibre Industry (hereinafter referred to as the “Applicant”) has filed an application before the Designated Authority (hereinafter also referred to as the “Authority”), on behalf of the domestic producers namely, M/s. Reliance Industries Limited and M/s. Wellknown Polyesters Limited, in accordance with the Customs Tariff Act, 1975, as amended from time to time (hereinafter also referred 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 also referred as the “Rules”), for Sunset Review anti-dumping investigation concerning imports of All Fully Drawn or Fully Oriented Yarn/ Spin Drawn Yarn/ Flat Yarn of Polyester (hereinafter also referred to as “product under consideration” or “PUC” or “subject goods”), originating in or exported from China PR and Thailand (hereinafter also referred to as the “subject countries”).

2. The Applicant has alleged likelihood of continuation or recurrence of dumping of subject goods, originating in or exported from the subject countries and consequent injury to the domestic industry and have requested for sunset review and continuation of the anti-dumping duty imposed on the imports of subject goods, originating in or exported from the subject countries.

Background

anti-dumping duties were recommended for imposition on China PR and Thailand vide Notification No. No. 14/3/2008-DGAD dated 29th September, 2009 and the same were imposed vide Notification No. 124/2009-Customs (ADD) dated 11th November, 2009.

4. A Sunset Review (SSR) investigation was initiated vide Notification No. 15/03/2014-DGAD dated 24th March, 2014. The extension of anti-dumping duties was recommended vide Notification No. 15/03/2014-DGAD dated 22nd September, 2015 and the same was imposed by the Central Government vide Notification No. 51/2015-Customs (ADD) dated 21st October, 2015. The current anti-dumping duty is valid up to 20th October, 2020.

**Product under Consideration**

5. The product under consideration, as in the original investigation and the first Sunset Review, is fully drawn/ fully oriented yarn/ spin drawn yarn/ flat yarn of polyester (non-textured and non-POY) and other yarns conforming to the tariff description of Customs Heading 5402.47. The product in market parlance is generally known as ‘Fully Drawn Yarn’ or FDY. 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 Article**

6. The Applicant has claimed that there is no known difference in the subject goods produced by the petitioning domestic producers and those exported from subject countries and that the two are like articles and are technically and commercially substitutable. Therefore, for the purpose of the present investigation, the subject goods produced by the petitioning domestic producers are being treated as ‘Like Article’ to the subject goods being imported from the subject countries.

**Domestic Industry**

7. The application has been filed by Association of Synthetic Fibre Industry on behalf of the domestic producers namely, M/s. Reliance Industries Limited and M/s. Wellknown Polyesters Limited The Applicant has claimed that the petitioning domestic producers have neither imported the subject goods from the subject countries nor are related to any exporter or producer of subject goods in the subject countries or any importer of the PUC in India. Considering the information on record, the Authority notes that the application has been made by or on behalf of the domestic industry in terms of the provisions contained in Rule 2 (b) and Rule 5 (3) of the Rules.
Likelihood of continuation or recurrence of dumping

i. **Normal Value for China PR**

8. The Applicant has claimed that China PR should be treated as a non-market economy and the normal value should be determined in terms of paragraph-7 of Annexure I of the Rules. The Applicants have cited Para 8(2) of Annexure I of the Rules and have stated that the Chinese producers should be directed to demonstrate that market economy conditions prevail in the industry producing the subject goods in terms Para 8(3) of Annexure I of the Rules. The Applicants have claimed that for China, normal value should be determined in accordance with para 7 and 8 of Annexure I of the Rules. The prices or constructed value of the product under consideration in the appropriate market economy third country or the prices from such third country to other countries, including India, has neither been made available by the Applicant nor is this information available with the Authority from any public source. In view of the above, the normal value of the subject goods in China PR has been constructed based on the cost of production and associated selling, general and administrative expenses involved in manufacture of PUC by the most efficient petitioning domestic producer in India.

ii. **Normal Value for Thailand**

9. The Applicant has claimed that the data relating to cost of production in Thailand is not available and has claimed the cost of production in Thailand on the basis of average cost of production in India. The Applicant has not provided information with regard to the appropriate third country. This information is also not available with the Authority from any public source. Accordingly, the normal value for Thailand has been constructed on the basis of cost of production in India based on the cost of production and associated selling, general and administrative expenses involved in manufacture of PUC by the most efficient petitioning domestic producer.

iii. **Export Price**

10. The export price for subject goods for the subject countries has been computed based on the Directorate General of Commercial Intelligence and Statistics (DGCI&S) transaction-wise import data. Adjustments have been made for ocean freight, marine insurance, commission, inland freight expenses, port expenses, bank charges and VAT (for China PR).

iv. **Dumping Margin**

11. Considering the normal value and export price determined as above, dumping margin has been determined, in accordance with Section 9 A(1)(a) of the Act.
Likelihood of continuation or recurrence of Injury

12. The Applicant has claimed that the cessation of anti-dumping duty is likely to lead to continuation or recurrence of injury.

Initiation of Sunset Review

13. On the basis of the duly substantiated application of the Applicant, and having satisfied itself, on the basis of the prima facie evidence substantiating the likelihood of continuation/recurrence of dumping and injury, and in accordance with Section 9A(5) of the Act read with Rule 23 (1B) of the Rules, the Authority hereby initiates a sunset review investigation to review the need for continued imposition of the duties in force in respect of the subject goods, originating in or exported from subject countries to examine whether the expiry of existing anti-dumping duty is likely to lead to continuation or recurrence of dumping and injury to the domestic industry.

Subject Countries

14. For the purpose of the investigation, the subject countries are China PR and Thailand.

Period of investigation

15. The period of investigation (POI) for the present investigation is from 1st January 2019 to 31st December, 2019 (12 Months). The injury investigation period will cover the periods 1st April, 2016- 31st March 2017; 1st April 2017- 31st March, 2018; 1st April, 2018- 31st March, 2019, and the POI.

Procedure

16. The review investigation will cover all aspects of the final findings published vide Notification No. 15/3/2014-DGAD dated 22nd September, 2015 recommending extension of anti-dumping duty on imports of All Fully Drawn or Fully Oriented Yarn/ Spin Drawn Yarn/ Flat Yarn of Polyester from China PR and Thailand. The Authority will also undertake likelihood analysis of dumping and injury.

17. The provisions of Rules 6, 7, 8, 9, 10, 11, 16, 17, 18, 19 and 20 of the Rules shall be mutatis mutandis applicable in this review.

Submission of Information

18. The known exporters in the subject countries, their Governments through their embassies in India, the 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.
19. 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.

20. The information/submission may be submitted to:

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

21. 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**

22. In view of the special circumstances arising from COVID-19 pandemic, any information relating to the present investigation should be sent in writing so as to reach the Authority at the address mentioned above within sixty days from the date of issue of this 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.

23. 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.

**Submission of information on confidential basis**

24. Any party making any confidential submission or providing information on 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 and the Trade Notices issued in this regard. Failure to adhere to the above may lead to rejection of the response/submissions.

25. The parties making any submission (including Appendices/Annexures 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.).

26. 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 two (2) sets of each.

27. 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.

28. 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, 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.

29. The Authority may accept or reject the request for confidentiality on examination of the nature of the information submitted. If the Authority is satisfied 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.

30. 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.

31. 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**

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

33. 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.

(Bhupinder S. Bhalla)

Additional Secretary & Designated Authority

15/04/2020