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**Government of India  
Department of Commerce  
Ministry of Commerce & Industry  
(Directorate General of Anti-Dumping & Allied Duties)**

4th Floor, Jeevan Tara Building,  
5 Parliament Street, New Delhi - 110001  
Dated 3<sup>rd</sup> May, 2016

**INITIATION NOTIFICATION**

**Subject: Initiation of anti-dumping investigation concerning imports of “New/unused pneumatic radial tyres with or without tubes and/or flap of rubber (including tubeless tyres) having nominal rim dia code above 16” used in buses and lorries/trucks”, originating in or exported from China PR.**

**No. 14/14/2015-DGAD:** Automotive Tyre Manufacturers’ Association (hereinafter referred to as ATMA or the petitioner) has filed an application on behalf of the domestic producers namely Apollo Tyres Ltd., J. K. Tyre Industries Ltd. and Ceat Ltd., 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 on the imports of “New/Unused pneumatic radial tyres with or without tubes and/or flap of rubber (including tubeless tyres), having nominal rim dia code above 16" used in buses and lorries/trucks" (hereinafter also referred to as the subject goods), originating in or exported from China PR (hereinafter also referred to as the subject country).

2. AND WHEREAS, the Authority finds sufficient prima facie evidence of dumping of the subject goods, originating in or exported from China PR, and injury to the domestic industry and causal link between the dumping and injury, the Authority hereby initiates an investigation into the alleged dumping, and consequent injury to the domestic industry in terms of the Rule 5 of the Anti-dumping Rules, to determine the existence, degree and effect of any alleged dumping and to recommend the amount of anti-dumping duty which, if levied, would be adequate to remove the injury to the domestic industry.

### **Product under consideration**

3. The product under consideration (PUC) in the present investigations is "New/Unused pneumatic radial tyres with or without tubes and/or flap, of rubber, having nominal rim dia code above 16" used in buses and lorries/trucks".
4. The PUC is classified in Chapter 40 under customs subheading No. 40112010 and tubes and flaps are classified under 40131020 and 40129049 respectively of Schedule I of the Customs Tariff Act, 1975. Tubes and or flaps imported without New/Unused pneumatic radial tyres are outside the scope of the PUC. The Custom classification, however, is indicative only and not binding on the scope of investigation.

### **Like Article**

5. The petitioner has claimed that the subject goods being produced by the domestic industry are identical to the subject goods being dumped into India from the subject country. The petitioner has claimed that the subject goods produced by the applicants and imported from the subject country are having comparable characteristics in terms of parameters such as physical & chemical characteristics, manufacturing process & technology, functions & uses, product specifications, pricing, distribution & marketing and tariff classification of the goods. The two are technically and commercially substitutable and hence should be treated as 'like article' under the Rules. Therefore, for the purpose of the present investigation, the subject goods produced by the petitioner in India are being treated as 'Like Article' to the subject goods being imported from the subject country.

### **Domestic Industry & Standing**

6. The application has been filed by Automotive Tyre Manufacturers' Association, on behalf of the domestic producers comprising of Apollo Tyres Ltd., J. K. Tyre Industries Ltd. and Ceat Ltd. As per information furnished in the application, the production of the constituent domestic producers accounts for major proportion of the total domestic production of the subject goods. Further, the constituent domestic producers have declared that they have neither imported the product under consideration from the subject country, nor are they related to any exporter of the product under consideration in the subject country or to an importer of subject goods in India. The Authority, therefore, determines that the constituent domestic producers in the present application namely Apollo Tyres Ltd., J. K. Tyre Industries Ltd. and Ceat Ltd constitute the domestic industry within the meaning of Rule 2 (b) and the application satisfies the criteria of standing in terms of Rule 5 (3) of the Rules supra.

### **Subject Country**

7. The subject country in the present investigation is China PR. As per the DGCI&S data furnished by the petitioner, the Authority notes that apart from China PR, imports of subject goods from Japan and Spain are also above de minimis level. However, as claimed by the petitioner, the average price from Japan and Spain are much higher than that of China. Consequently, despite being above de minimis, the imports of subject goods from Japan and Spain are not causing injury to the petitioner industries. Therefore, Japan and Spain are beyond the purview of the subject country.

### **Normal Value**

8. The applicants have claimed that China PR should be treated as a nonmarket economy and determined normal value in accordance with Para 7 and 8 of Annexure I of the Rules. The applicant has claimed normal value for China PR on the basis of cost of production in India, duly adjusted. In terms of Para 8 in Annexure 1 to the Rules it is presumed that the producers of the subject goods in China PR are operating under non-market economy conditions. In view of the above non-market economy presumption and subject to rebuttal of the same by the responding exporters from china PR, normal value of the subject goods in China PR has been estimated in terms of Para 7 of Annexure 1 to the Rules.

### **Export Price**

9. The petitioner has determined the export price by adopting DGCI&S data. Price adjustments have been made on account of commission, port expenses, bank charges, handling charges, inland freight, ocean freight, marine insurance and VAT.

### **Dumping Margin**

10. The normal value has been compared with the export price at ex-factory level. There is sufficient prima facie evidence that the normal value of the subject goods in the subject country are higher than the ex-factory export price, indicating, that the subject goods are being dumped into the Indian market by the exporters from the subject country. The dumping margins are estimated to be above de minimis.

### **Injury and Causal Link**

11. The applicant 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. The applicant has also claimed threat of material injury to the domestic industry. Information furnished by the applicant has been considered for assessment of injury to the domestic industry. Dumped imports are undercutting the prices of the domestic industry. Resultantly, the volume of imports has increased significantly. Price undercutting being caused by the dumped imports is resulting in increase in market

share of imports and decline in market share of the domestic industry. Further, the market share of the domestic industry has steeply declined in the replacement segment. The inventories with the domestic industry have increased significantly. There is sufficient prima facie evidence of the 'injury' being suffered by the domestic industry caused by dumped imports from subject country to justify initiation of an antidumping investigation.

### **Period of Investigation**

12. The petitioner proposed the period of investigation (POI) as July 2014- June 2015 (12 Months) with the injury period as 2012-13, 2013-14, 2014-15 and the proposed POI. However, for making required analysis on the basis of more updated data, the Authority hereby determines the POI as July 2014-December, 2015 (18 Months) The injury investigation period will however cover the periods 2012-13, 2013-14, 2014-15 and the POI.

### **Submission of Information.**

13. The known exporters in the subject country, the Government of the subject country through their embassy in India, the importers and users in India known to be concerned with the product are being addressed separately to submit relevant information in the form and manner prescribed and to make their views known to the Authority at the following address:

**The Designated Authority,  
Directorate General of Anti-Dumping & Allied Duties,  
Ministry of Commerce & Industry, Department of Commerce  
4th Floor, Jeevantara Building,  
5 Parliament Street, New Delhi -110001**

14. 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.

### **Time Limit**

15. Any information relating to the present investigation and any request for hearing 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 publication 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 Anti-dumping Rules.

16. 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 regarding the need to

continue or otherwise the Antidumping measures within 40 days from the date of initiation of this investigation. Submission of information on confidential basis

### **SUBMISSION OF INFORMATION ON NON-CONFIDENTIAL BASIS**

17. In case confidentiality is claimed on any part of the questionnaire 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.
18. Information supplied without any confidential marking 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 of the confidential version and five (05) copies of the non-confidential version must be submitted by all the interested parties.
19. 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.
20. 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, parties submitting the confidential information may indicate that such information is not susceptible to summarization; a statement of reasons why summarization is not possible must be provided to the satisfaction of the Authority.
21. 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.
22. 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 information. Inspection of public file

### **INSPECTION OF PUBLIC FILE**

23. In terms of Rule 6(7), the Designated Authority maintains a public file. Any interested party may inspect the public file containing non-confidential version of the evidence submitted by the interested parties.

### **Non-cooperation**

24. 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 declare such interested party as non-cooperative and record its findings on the basis of the facts available to it and make such recommendations to the Central Government as deemed fit.

**(A.K. Bhalla)**  
**Additional Secretary & Designated Authority**