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Government of India
Ministry of Commerce & Industry
(Directorate General of Trade Remedies)
4th Floor, Jeevan Tara Building, 5, Parliament Street, New Delhi - 110001

Dated: 26.07.2021

INITIATION NOTIFICATION

(Case No. AD (SSR) - 14/2021)

Subject: Initiation of sunset review investigation concerning imports of Color coated / pre-painted flat products of alloy or non-alloy steel originating in or exported from China PR and European Union

1. Indian Steel Association (hereinafter also referred to as the "Applicant" or "Petitioner") has filed an application before the Designated Authority (hereinafter also referred to as the "Authority") on behalf of JSW Steel Coated Products Limited and ArcelorMittal Nippon Steel India Limited (hereinafter also referred to as the "participating producers") 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 sunset review investigation concerning imports of "Color coated / pre-painted flat products of Alloy or Non-Alloy Steel" (hereinafter referred to as the "subject goods" or "product under consideration"), originating in or exported from China PR and European Union (hereinafter also referred to as "subject countries"). The participating producers namely, JSW Steel Coated Products Limited and ArcelorMittal Nippon Steel India Limited have provided the prescribed information in the Application.
2. The applicant has alleged that dumping from the subject countries has continued even after the imposition of anti-dumping duty and that there is likelihood of continuation / recurrence of dumping and injury in case of cessation of duties. The applicant has requested for extension of duties on imports of subject goods, originating in or exported from the subject countries.

Background

3. The original anti-dumping investigation concerning imports of subject goods from subject countries was initiated on 29th June 2016 by the Designated Authority. The Designated Authority recommended imposition of provisional anti-dumping duty vide preliminary findings dated 20th October 2016 and the provisional anti-dumping duty was imposed on 11th January 2017 vide Notification No. 02/2017-Customs (ADD). Pursuant to detailed investigation, the Designated Authority recommended imposition of definitive anti-dumping duty on imports of the subject goods from the subject countries vide final findings Notification No. 14/28/2016-DGAD dated 30th August 2017. The recommendations of the Designated Authority were implemented vide Notification No. 49/2017-Customs (ADD) dated 17th October 2017. The duty is valid upto 10th January 2022.

Product under consideration

4. The scope of the product under consideration in the present sunset review investigation is the same as in the original investigation. The product under consideration in the present sunset review investigation is “Pre-painted, painted, colour coated or organic coated flat steels in coils or not in coils, whether or not with metallic coated substrate of zinc, aluminium zinc or any other substrate coating excluding plates of thickness 6mm or more.”
5. These products are either of alloy or non-alloy steel, whether of prime or non-prime quality, either in the form of coils or plain sheets or profiled sheets including but not limited to trapezoidal, sinusoidal, corrugated or any other type of profiles. These products are available in various paint qualities and a variety of paint colours, whether or not pre-coated with primer or any other suitable material. These products may either be painted on top surface of the steel sheet or on bottom surface or on both top and bottom surfaces. This product may be supplied with or without guard film / lamination.
6. PUC offers resistance to corrosion along with barrier protection. PUC is used in many applications and sectors including but not limited to construction, roofing, walling, panelling, cladding and decking, automotive, white goods & appliances and furniture etc.
7. The PUC is classified under Custom Tariff Headings 72107000, 72124000, 72259900 and 72269990 of the Customs Tariff Act, 1975. However, the imports have also been observed in certain other ITC HS Codes viz. 72082790, 72085430, 72091590, 72091820, 72103090, 72104100, 72104900, 72106100, 72106900, 72107000, 72109010, 72109090, 72112350, 72112330, 72121010, 72123090, 72125090, 72126000, 72131090, 72254013. The customs classification is

indicative only and is in no way binding on the scope of the present review investigation.

Like article

8. The applicant has claimed that the goods produced by the domestic industry are identical to the subject goods exported from the subject countries to India. Subject goods produced by the domestic industry are comparable to the imported goods from subject countries in terms of technical specifications, manufacturing process & technology, functions & uses, pricing, distribution & marketing and tariff classification of the goods. The two are technically and commercially substitutable and should be treated as 'like article' under the Rules. Therefore, for the purpose of the present investigation, the subject goods produced by the domestic industry are being treated as 'Like Article' to the subject goods being imported from the subject countries.

Domestic Industry

9. The application has been filed by Indian Steel Association (Applicant) on behalf of the domestic producers. The following producers have provided their costing and injury information for the purposes of the sunset review investigation:
 - a. JSW Steel Coated Products Limited
 - b. ArcelorMittal Nippon Steel India Limited.
10. The participating producers have not imported the subject goods from the subject countries. JSW Steel Coated Products Limited is not related to any of the exporters or importers of the subject goods from the subject countries. ArcelorMittal Nippon Steel India Limited is not related to any of the exporters of the subject goods from China PR. ArcelorMittal Nippon Steel India Limited has related companies in European Union but there is nothing on record to prove that the related companies have exported the PUC to India during the period of investigation.
11. As per evidence available on record, the participating producers account for a major proportion in the domestic production of the like article in India. On the basis of information available, the Authority has considered the participating producers as domestic industry within the meaning of the Rule 2(b) of the Rules.
12. It is noted that the participating producers account for a major proportion of the total domestic production. In view of the above and after due examination, the Authority notes that the participating producers constitute eligible domestic

industry in terms of Rule 2 (b), and the application satisfies the criteria of standing in terms of Rule 5(3), of the Rules supra.

Basis of alleged dumping

a) Normal value

China PR

13. The applicant has cited and relied upon Article 15(a) (i) of China's Accession Protocol. The applicant has claimed that producers in China PR must be asked to demonstrate that market economy conditions prevail in their industry producing the like product with regard to the manufacture, production and sale of the product under consideration. It has been stated by the applicant that in case the responding Chinese producers are not able to demonstrate that their costs and price information are market-driven, the normal value should be calculated in terms of provisions of Para 7 and 8 of Annexure- 1 to Rules.
14. The applicant has submitted that efforts were made to determine normal value on the basis of price or constructed value in a market economy third country, price from such a third country to other countries, including India. However, the applicant could not get reliable information regarding the same.
15. Therefore, the applicant has determined normal value for China PR on the basis of "any other reasonable basis" as per Para 7 of Annexure I to the Rules. In this regard, the normal value for China PR has been constructed based on (a) International price of raw material, (b) Consumption norms, conversion costs and SGA costs on the basis of experience of the domestic industry, and (c) a reasonable profit.

European Union

16. The applicant has claimed that they were not able to get any documentary evidence or reliable information with regard to domestic prices of the subject goods in European Union. Accordingly, normal value for European Union has been constructed based on (a) International price of raw material, (b) Consumption norms, conversion costs and SGA costs on the basis of experience of the domestic industry, and (c) a reasonable profit.

b) Export price

17. The export price for subject goods from the subject countries has been computed based on the Directorate General of Commercial Intelligence and Statistics (DGCI&S) transaction-wise import data. Price adjustments have been made on account of ocean freight, inland freight, handling charges, ocean insurance, bank charges, commission/trader's profit and non-refundable VAT (only for China PR).

c) Dumping margin

18. Considering the normal value and export price determined as above, dumping margin determined is not only above de-minimis level but also significant. There is prima facie evidence that normal value of the subject goods in the subject countries is significantly higher than the net export price, thereby indicating that the subject goods originating in or exported from the subject countries have continued to be exported at dumped prices, in spite of antidumping duty in force.

Likelihood of continuation / recurrence of dumping and injury

19. There is prima facie evidence of likelihood of continuation/recurrence of dumping and injury to the domestic industry in the event of cessation of duty, considering positive dumping margin, significant unutilized capacities in subject countries, existence of trade remedial measures imposed by other countries against the subject countries' exports, potential trade diversion, price attractiveness of Indian market and reduction of basic custom duty by India on imports of PUC. It is prima facie noted that there is likelihood of continuation/recurrence of dumping and injury to the domestic industry in the event of cessation of the anti-dumping duty.

Initiation of sunset review investigation

20. On the basis of duly substantiated written application by or on behalf of the domestic industry, and having satisfied itself, on the basis of the prima facie evidence submitted by the domestic industry, substantiating likelihood of continuation/recurrence of dumping of product under consideration originating in or exported from the subject countries and likelihood of continuation/recurrence of injury to the domestic industry, and in accordance with Section 9A of the Act read with Rule 23 of the Rules, the Authority, hereby, initiates a sunset review investigation to review the need for continued imposition of anti-dumping duty in force in respect on the subject goods, originating in or exported from the subject countries and to examine whether the expiry of such duty is likely to lead to continuation or recurrence of dumping and injury to the domestic industry.

Subject Countries

21. The subject countries for the present sunset review investigation are China PR and European Union.

Period of Investigation (POI)

22. Petitioner has proposed the period from 1st October 2019 to 31st March 2021 (18 months) as the period of investigation (POI). The injury investigation period is 2017-18, 2018-19, 2019-20 and POI.
23. A longer period of investigation has been considered in the present sunset review since trade in the first quarter of 2020-21 was impacted by Covid-19. A longer period would be more appropriate to assess the current injury and likelihood of injury to the domestic industry caused due to the alleged dumped imports. In view of the above, period of investigation (POI) of 18 months from 1st October 2019 to 31st March 2021 is deemed appropriate. The injury investigation period will cover the periods April 2017 - March 2018, April 2018 - March 2019, April 2019 - March 2020 and the period of investigation.

Procedure

24. The sunset review investigation will undertake likelihood analysis of dumping and injury.
25. 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

26. In view of the special circumstances arising out of COVID-19 pandemic, all communication should be sent to the Designated Authority via email at the email addresses adg12-dgtr@gov.in, adv13-dgtr@gov.in, jd14-dgtr@gov.in, dd17-dgtr@gov.in. It should be ensured that the narrative part of the submission is in searchable PDF/ MS Word format and data files are in MS Excel format.
27. The known producers/exporters in the subject countries, Government of the subject countries 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.

28. 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.
29. Any party making any confidential submission before the Authority is required to make a nonconfidential version of the same available to the other parties.
30. Interested parties are further advised to keep a regular watch on the official website of the Designated Authority <http://www.dgtr.gov.in/> for any updated information with respect to this investigation.

Time Limit

31. Any information relating to the present investigation should be sent to the Designated Authority via email at the email addresses adg12-dgtr@gov.in, adv13-dgtr@gov.in, jd14-dgtr@gov.in, dd17-dgtr@gov.in, within 30 days from the date of receipt of the notice as per as Rule 6(4) of the Rules. 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.
32. 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

33. 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. Failure to adhere to the above may lead to rejection of the response / submissions.
34. The parties making any submission (including Appendices/Annexures attached thereto), before the Authority including questionnaire response, are required to file Confidential and Non-Confidential versions separately.
35. 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.


36. 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.
37. 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 nonconfidential 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.
38. 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 in summary form, it may disregard such information.
39. 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.
40. 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

41. A list of interested parties will be uploaded on DGTR's website along with the request therein to all of them to email the non-confidential version of their submissions to all interested parties since the public file will not be accessible physically due to ongoing global pandemic.

Non-cooperation

42. 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 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.



(Anant Swarup)
Designated Authority