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No. 14/28/2016-DGAD
Government of India
Department of Commerce
Ministry of Commerce & Industry
(Directorate General of Anti-Dumping & Allied Duties)
4th Floor, Jeewan Tara Building, 5, Parliament Street, New Delhi
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Date: 29.06.2016

INITIATION NOTIFICATION

Subject: - Initiation of anti-dumping investigation concerning imports of "Colour coated / pre-painted flat products of alloy or non-alloy steel" originating in or exported from China PR and European Union-reg.

No. 14/28/2016-DGAD: M/s Essar Steel India Limited and M/s JSW Steel Coated Products Limited (hereinafter also referred to as petitioner companies or the applicants) have filed a petition 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 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 to as the Rules) for initiation of anti-dumping investigation and imposition of anti-dumping duty on the alleged dumped imports of "Colour coated / pre-painted flat products of alloy or non-alloy steel" originating in or exported from China PR and European Union (hereinafter also referred to as the subject countries).

2. 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 the injury exist to justify initiation of an anti-dumping investigation, the Authority hereby initiates an investigation into the alleged dumping causing consequent injury to the domestic industry in terms of the Rules, to determine the existence, degree and effect of dumping and 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 in the present 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. These steels are either of alloy or non-alloy steel whether or not 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 steels 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.

4. 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, paneling, cladding and decking, automotive, white goods & appliances and furniture etc.

5. The PUC is classified under tariff item 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. 72101110, 72101190, 72101210, 72101290, 72103010, 72103090, 72104100, 72104900, 72105000, 72106100, 72106900, 72109010, 72109090, 72121010, 72121090, 72122090, 72123090, 72125020, 72125090, 72126000, 72255030, 72259200 and 72261100. The Customs classification is indicative only and is in no way binding on the scope of the present investigation.

Like Article

6. The applicants have claimed that the subject goods being produced by the domestic industry are similar to the subject goods being dumped into India. The applicants have claimed that PUC produced by the applicants and originating in or imported from the subject countries 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 applicants in India are being treated as 'like article' to the subject goods originating in or imported from the subject countries.

Domestic Industry

7. The application has been filed by M/s Essar Steel India Limited and M/s JSW Steel Coated Products Limited. As per the information available on record, the production of the aforesaid producers accounts for a major proportion of the total domestic production in India.

8. The application, thus, satisfies the requirements of Rule 2(b) and Rule 5(3) of the Rules with regard to standing of the aforesaid domestic producers and that they are treated as domestic industry (DI) within the meaning of Rule 2(b) supra.

Countries involved

9. The country involved in the present investigation is China PR and European Union.

Normal Value

China PR

10. The applicants have submitted that China PR should be treated as a non-market economy country and have determined the normal value in accordance with Para 7 and 8 of Annexure I of the Rules. In terms of Para 8 of 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 non-market economy presumption and subject to rebuttal of the same by the responding exporters, the normal value of the subject goods in China PR has been estimated in terms of Para 7 of Annexure 1 to the Rules. The applicants have constructed the normal value for China PR based upon the cost of production in India, duly adjusted to include selling, general & administrative expenses and reasonable profit. The normal value claims of the applicants have been considered for the purpose of initiation.

European Union

11. The applicants have constructed the normal value for European Union on the grounds that they were neither able to get any documentary evidence nor reliable information with regard to the domestic prices of the subject goods in European Union. Further, such information is also not available in public domain. The Authority has prima-facie considered the normal value of subject goods in European Union on the basis of constructed values as made available by the applicants for the purpose of this initiation.

Export Price

12. The applicants have determined the export price for the product under consideration for the subject countries based on the transaction wise import data available from IBIS in India. Price adjustments have been made on account of Ocean Freight, Inland Freight, Ocean Insurance, Handling Charges and Non-Refundable VAT for China PR.

Dumping Margin

13. The normal value and the export price have been compared at ex-factory level, which show significant dumping margins in respect of the subject countries. There is sufficient prima facie evidence that the normal value of the subject goods in the subject countries is significantly 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.

14. There is sufficient prima-facie evidence of significant dumping margin to justify initiation of antidumping investigation.

Injury and Causal Link

15. The applicants have claimed that they have suffered material injury and have furnished evidence regarding the injury having taken place as a result of the alleged dumping from the subject countries in terms of increase in imports in absolute terms and in relation to domestic production and domestic demand. The dumping from the subject countries has resulted in reduction in capacity utilisation, market share, profits, cash profit etc. of the domestic industry.

16. The applicants have also claimed adverse price effects as evidenced by price suppression, price depression, undercutting and price underselling. The Authority considers that there is sufficient prima facie evidence of injury being suffered by the applicants caused by the dumped imports of the subject goods originating in or exported from the subject countries to justify initiation of an antidumping investigation.

Period of Investigation

17. The period of investigation (POI) for the present investigation is from July, 2015 to December, 2015. The injury investigation period will, however, cover the periods April 2012-March 2013, April 2013-March 2014, April 2014-March 2015, April 2015-Dec 2015 (Annualized) and the POI.

Retrospective imposition of duties

18. The applicants have requested for retrospective imposition of the antidumping duty due to following reasons:

a. There is history of dumping and that the importers should have been aware that exporters practice dumping and that such dumping caused injury to the domestic industry.

b. The injury to the domestic industry has been caused by massive dumping of the subject goods in a relatively short time which in the light of the timing and volume of imported subject goods dumped and other circumstances is likely to seriously undermine the remedial effect of the antidumping duty liable to be levied.

19. The interested parties may make their submissions in this regard.

Submission of information

20. The known exporters in the subject countries and their Government through their Embassy/Representative Office 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. 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 Anti-Dumping & Allied Duties,
Ministry of Commerce & Industry,
Department of Commerce
Government of India
4th Floor, Jeevan Tara Building, 5, Parliament Street,
New Delhi-110001

Time Limit

21. 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 this 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 AD Rules.

22. All 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 issuance of the letter intimating initiation of the investigation. The information must be submitted in hard copies as well as in soft copies.

Submission of information on confidential basis

23. 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:-

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

24. 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 five (05) sets of each.

25. 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 informationas to why such information cannot be disclosed.

26. 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, a 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.

27. 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.

28. 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.

29. 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

30. 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

31. 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.

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