

F. No. 7/03/2021-DGTR
Government of India
Department of Commerce
Ministry of Commerce & Industry
Directorate General of Trade Remedies
Jeevan Tara Building, Parliament street, New Delhi -- 110001

Dated 22nd February,2021

INITIATION NOTIFICATION

(Case No. SSR-AD-03/2021)

Subject: Sunset review anti-dumping investigation concerning imports of Viscose Staple Fibre originating in or exported from China PR and Indonesia.

1. Association of Man Made Fibre Industry of India (hereinafter referred to as the 'Applicant Association' or 'AMMFII') has filed an application before the Designated Authority (hereinafter referred to as the Authority), on behalf of M/s Grasim Industries Limited , in accordance with the Customs Tariff Act, 1975 as amended (hereinafter 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 referred as the "Rules"), for initiation of sunset review investigation concerning imports of " Viscose Staple Fibre (VSF) excluding Bamboo Fibre, Dyed Fibre, Modal Fibre & Fire-retardant Fibre" (hereinafter referred to as 'subject goods' or 'product under consideration') originating in or exported from China PR and Indonesia (hereinafter referred to as 'subject countries').
2. The applicant has alleged that dumped imports of subject goods have continued in spite of anti-dumping duty in force which has caused injury to the domestic industry and there is a likelihood of continuation/ recurrence of injury in case of cessation of duties. The applicant has requested for extension of anti-dumping duties on the imports of subject goods, originating in or exported from the subject countries.

Background

3. The original anti-dumping investigation concerning imports of "Viscose Staple Fibre (VSF) excluding Bamboo fibre" from China PR and Indonesia was initiated by the Authority vide Notification No.14/6/2009- DGAD dated 19th March, 2009. Thereafter, definitive anti-dumping duties were recommended for imposition on imports from China PR and Indonesia vide Notification No. No. 14/6/2009-DGAD dated 17th May 2010 and the same were imposed vide on 26th July 2010 vide Notification No. 76/2010-Customs (ADD).
4. A Sunset Review (SSR) investigation was initiated vide Notification No. 15/9/2015-DGAD dated 22nd July 2015. The extension of anti-dumping duties was recommended vide Notification No. 15/9/2015 - DGAD dated 8th July 2016 and the same was imposed by the Central Government vide notification No. 43/2016 dated 8th August 2016. The existing duties will expire on 7th August 2021.

Product under Consideration

5. The scope of the product under consideration in the previous investigation was as below

“Viscose Staple Fibre (VSF) excluding Bamboo fibre”. Viscose Staple Fibre is described as “Viscose rayon staple fibre not carded/combed” under the Customs Tariff and is also known as “Rayon Fibre” in some markets. The product under consideration is classified under Custom Headings 5504.10.00. The Customs classification is indicative only and is in no way binding on the scope of the present investigation...”

6. The scope of product under consideration in the present investigation is restricted to only “Viscose Staple Fibre (VSF) excluding Bamboo Fibre, Dyed Fibre, Modal Fibre & Fire-retardant Fibre” All other types of Viscose Staple Fibre are kept outside the scope of product under consideration.

Like Article

7. The applicant has claimed that the subject goods exported to India are identical to the goods produced by the domestic industry. 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 applicant is being treated as 'Like Article' to the subject goods being imported from the subject countries.

Domestic Industry

8. The application has been filed by Association of Man Made Fibre Industry of India on behalf of M/s Grasim Industries Limited. M/s Grasim Industries Limited is the sole producer of the product under consideration. The domestic industry has not imported the subject goods and is not related to any importer in India. The domestic industry is related to producers of the subject goods in both the subject countries. However, none of the related entity has exported the subject goods to India in the period of investigation.
9. On the basis of information available, the Authority has considered M/s Grasim Industries Limited as domestic industry within the meaning of the Rule 2(b) and Rule 5(3) of the Rules.

Basis of alleged dumping

a. Normal Value for China PR

10. 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- I to the Rules.

11. The applicant has claimed normal value on the basis of appropriate market third country Thailand with reasonable return for the present investigation. The normal value for China PR has been determined accordingly for the purpose of initiation

b. Normal Value for Indonesia

12. The applicant has claimed the normal value of Indonesia on the basis of cost of production of subject goods in Indonesia. The normal value for Indonesia has been determined accordingly for the purpose of initiation

Export price

13. The export price for subject goods for the subject countries have been computed based on the Directorate General of Commercial Intelligence and Statistics transaction-wise import data. Price adjustments have been made for ocean freight, marine insurance, commission, port expenses, bank charges and inland freight expenses.

Dumping margin

14. 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 Customs Tariff Act, 1975. It is noted that dumping margin 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 prices, 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 anti-dumping duty in force.

Likelihood of continuation/recurrence of dumping and injury

15. There is prima facie evidence of likelihood of continuation/recurrence of dumping and injury to the domestic industry on account of significant dumped imports from the subject countries. The domestic industry has claimed that its performance has significantly deteriorated in the period of investigation due to the presence of continued dumped imports from the subject countries.

Initiation of sunset review investigation

16. On the basis of the 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 and injury of product under consideration originating in or exported from the subject countries, and in accordance with Section 9A of the Act read with Rule 5 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 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

17. The subject countries in the present sunset review investigation are China PR and Indonesia.

Period of Investigation

18. The period of investigation for the present investigation is 1st September 2019 – 31st October 2020 (12 months). The injury investigation period will cover the period from 1st April, 2017 - 31st March 2018, 1st April, 2018 – 31th March, 2019, 1st April, 2019 – 31st March, 2020 and the period of investigation.

Procedure

19. The review investigation will cover all aspects of the final findings published vide Notification No. 15/9/2015 - DGAD dated 8th July 2016 recommending extension of anti-dumping duty on import of Viscose Staple Fibre excluding Bamboo Fibre from China PR and Indonesia. The Authority will also undertake likelihood analysis of dumping and injury.
20. The provisions of Rule 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

21. In view of the special circumstances arising out of COVID-19 pandemic, all communication should be sent to the Designated Authority via email at email address adg12-dgtr@gov.in, adv13-dgtr@gov.in, dir16-dgtr@gov.in and ashis.dash@nic.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.
22. 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.
23. 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.
24. 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.
25. 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

26. 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, dir16-dgtr@gov.in and ashis.dash@nic.in, within 30 days from the date of the receipt of the notice as per the 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.
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 within the above time limit.

Submission of Information on Confidential Basis

28. 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.
29. 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.
30. 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.
31. 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 is 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.
32. 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.

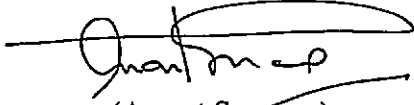
33. The Authority may accept or reject the request for confidentiality on examination of the nature of the information submitted. If the Authority is satisfied that the request for confidentiality is not warranted or if the supplier of the information is either unwilling to make the information public or to authorize its disclosure in generalized or summary form, it may disregard such information.
34. 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.
35. 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.

Sharing of responses/ submissions amongst interested parties.

36. A list of registered 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 other interested parties since the public file will not be accessible physically due to ongoing global pandemic.

Non-Cooperation

37. 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.


(Anant Swarup)
Designated Authority