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**No. 14/12/2016-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

Date: 19.04.2016

INITIATION NOTIFICATION

Subject: - Initiation of anti-dumping investigation concerning imports of “Cold rolled / cold reduced flat steel products of iron or non-alloy steel, or other alloy steel, of all widths and thickness, not clad, plated or coated”, originating in or exported from China PR, Japan, Korea RP and Ukraine.

No. 14/12/2016-DGAD: M/s Steel Authority of India Limited, M/s JSW Steel Limited, M/s Essar Steel India Limited and 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 “Cold rolled / cold reduced flat steel products of iron or non-alloy steel, or other alloy steel, of all widths and thickness, not clad, plated or coated” (hereinafter also referred to as the subject goods or the Product Under Consideration), originating in or exported from China PR, Japan, Korea RP and Ukraine (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 (PUC) in the present investigation is “Cold rolled / cold reduced flat steel products of iron or non-alloy steel, or other alloy steel, of all widths and thickness, not clad, plated or coated”. The product under consideration includes cold

rolled / cold reduced flat steel products in coils or not in coils including slit coils or sheets, blanks whether or not annealed or box annealed or batch annealed or continuously annealed or any other annealing process or full hard or partially hard. The product concerned covers cold-rolled / cold-reduced flat steel products conforming to prime or non-prime quality whether or not rolled from 4-high reversible mill, 6-high reversible mill, Sendzimir mill, 20-high cold rolling mill, Pickling Lines and Tandem Cold Rolling Mills (PLTCM), Continuous Annealing Line (CAL) or any other cold rolling / cold reducing processes. These products may be oiled or supplied without oil of any type, standard, specification and grade. These products may be conforming to various qualities of steel including but not limited to full hard, partially hard, commercial quality, drawing, deep drawing, extra deep drawing, interstitial free steel, high strength low alloy steels, advance high strength steels, ultra high strength steels, alloy steels, micro-alloyed steel, TRIP steel (Transformation Induced Plasticity), tin mill black plates (TMBP), and many more qualities, whether or not vacuum degassed through any vacuum degassing process. These steels may be produced and supplied with or without skin pass / temper rolling, whether or not aluminium killed / non-ageing quality and whether or not containing Boron and / or Titanium and/or Vanadium or any other suitable elements of any level by weight. These steels may find applications spread across various end-usages including but not limited to automotive industry, tractors, bicycles, appliances, furniture, electrical panels, packaging, drums, barrels, general engineering, substrate for coating, color coating galvanizing, metal-coating / plating, tin plate etc. and many more applications. The following are not included in the scope of the product under consideration:

- a) Stainless Steel
- b) High Speed Steel, i.e., alloy steels containing, with or without other elements, at least two of the three elements Molybdenum (Mo), Tungsten (W) and Vanadium (V) with a combined content by weight of 7% or more, 0.6% or more of Carbon and 3 to 6% of Chromium.
- c) Silicon Electrical Steels conforming to Grain Oriented and Non- Grain Oriented Steels, i.e., alloy steels containing by weight, atleast 0.6% but not more than 6% of Silicon and not more than 0.08% of Carbon. This steel may also contain by weight not more than 1% of Aluminium but no other element in a proportion that would give the steel the characteristics of other alloy steel.

4. The PUC is used in many applications and sectors such as automotive, Appliances, Furniture, Electrical Panels, General engineering, Capital goods, Construction, Packaging including drums and barrels, Coating and Plating including Galvanizing, Color Coating, Tin Plates etc.

5. The PUC is classified under Custom Tariff Heading 7209, 7211, 7225 and 7226. 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 Steel Authority of India Limited, M/s. JSW Steel Limited, M/s Essar Steel India Limited and JSW Steel Coated Products Limited. As per the information available on record, the production of the aforesaid four 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 three domestic producers and that they are treated as domestic industry (DI) within the meaning of Rule 2(b) supra.

Countries involved

9. The countries involved in the present investigation are China PR, Japan, Korea RP and Ukraine.

Normal Value

Japan and Korea RP

10. The applicants have determined the normal value for Japan and Korea RP on the basis of the domestic ex-works price as reported in Metal Bulletin Research Weekly Tracker for Steel for these respective countries.

China PR and Ukraine

11. With regard to China PR and Ukraine, the applicants have submitted that China PR and Ukraine 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 and Ukraine 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 and Ukraine has been estimated in terms of Para 7 of Annexure 1 to the Rules. The applicants have suggested Japan as surrogate

country and determined normal value in China PR and Ukraine as per the prices prevailing in Japan. The Authority hereby invites comments from all interested parties in accordance with para 7 of Annexure I about appropriateness of Japan as a surrogate country for China PR and Ukraine.

Export Price

12. The applicants have determined the export price for the product under consideration for all the subject countries based on the transaction wise import data available from IBIS in India. Price adjustments have been made on account of inland freight, ocean freight, ocean insurance, custom handling & clearance charges and non-refundable portion of VAT (only for China PR).

Dumping Margin

13. The normal values and the export prices 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 values of the subject goods in the subject countries are significantly higher than the ex-factory export prices, 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 the significant dumping margins 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 deterioration of capacity utilisation, profits, return on capital employed, cash profit etc. of the domestic industry.

16. The applicants have also claimed adverse price effects as evidenced by price suppression, price depression and price undercutting/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 Governments through their Embassies 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 issuance of the letter intimating initiation of the investigation. 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 information as 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