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**F. No.6/25/2019-DGTR
Government of India
Department of Commerce
Ministry of Commerce & Industry
(Directorate General of Trade Remedies)
4th Floor, Jeevan Tara Building, Parliament Street, New Delhi – 110001**

Dated 24.09.2019

INITIATION NOTIFICATION

Case No. 18/2019

Subject: Anti-Dumping investigation concerning imports of "Acrylic Fibre" originating in or exported from Belarus, Ukraine, European Union and Peru.

No. 6/25/2019-DGTR : Whereas, M/s Indian Acrylics Limited, M/s Vardhman Acrylics Limited and M/s Pasupati Acrylon Ltd (hereinafter referred to as the applicants) jointly filed an application before the Designated Authority (hereinafter also referred to as the Authority) in accordance with the Customs Tariff Act, 1975 (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 (hereinafter also referred to as the Rules) as amended from time to time, for initiation of anti-dumping investigation and imposition of anti-dumping duty concerning imports of "Acrylic Fibre" originating in or exported from Belarus, Ukraine, European Union and Peru (also referred to as the Subject Countries).

A. Product under consideration

2. The product under consideration is Acrylic Fibre of all types (hereinafter referred as subject goods). Acrylic Fibre is a long chain of synthetic polymer composed of at least 90% by weight of Acrylonitrile units (major raw material for production). The terms acrylic fibre includes acrylic staple, acrylic tow and acrylic top. In other words, acrylic staple fibre, acrylic tow and acrylic top are known as acrylic fibre in the commercial parlance.
3. Subject goods are classified under chapter 55 of Customs Tariff Act, 1975 under the sub-heading 5501,5503 and 5506 at 4-digit level. The product is covered under HS code 550130, 550330 and 550630. The Customs classification is indicative only and not binding on the scope of investigation.

B. Like Article

4. The applicants have claimed that there is no known difference between the subject goods exported from the subject countries and that produced by the domestic industry. Subject goods produced by the domestic industry and imported from the subject countries are comparable in terms of essential product characteristics such as physical & chemical characteristics, manufacturing process & technology, functions & uses, product specifications, pricing, distribution & marketing and tariff classification of the goods. Consumers use the two interchangeably. The applicants have further claimed that 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 Authority treats the subject goods produced by the domestic industry in India as 'Like Article' to the subject goods being imported from the subject countries.

C. Domestic industry & Standing

5. The application has been jointly filed by M/s Indian Acrylics Limited, M/s Vardhman Acrylics Limited and M/s Pasupati Acrylon Ltd. One of the applicant company, M/s Vardhman Acrylics Limited is related to Vardhman textiles Limited which has imported small quantity of the subject goods from amongst subject countries. Considering the small volume of imports by Vardhman textiles Limited, Vardhman Acrylics Limited has also been considered as eligible domestic industry within the meaning of Rule 2(b). The applicants therefore satisfy the requirements of Rule 2(b) and Rule 5(3) of the Rules and constitute an eligible domestic industry.

D. Subject Countries

6. The countries involved in the present investigation are Belarus, Ukraine, European Union and Peru.

E. Normal value

7. Normal value for all the subject countries has been constructed on the basis of cost of production, duly adjusted, and after additions for selling, general & administrative expenses and reasonable profits.

F. Export price

8. The Applicants have determined export prices on the basis of DGCI&S transaction wise import data. The net ex-factory export prices have been determined after due adjustments towards ocean freight, marine insurance, port expenses, inland freight, commission and bank charges.

G. Dumping margin

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

H. Period of Investigation (POI)

10. The period of investigation is April 2018- March 2019. The injury investigation period shall cover the periods 2015-16, 2016-17 and 2017-18 and the period of investigation.

I. Evidence of Injury and Causal Link

11. The applicants have claimed that they have suffered material injury as evidenced by volume and price impact of the dumped imports from the subject countries. Information provided by the applicants shows that imports of the product have increased despite and availability of sufficient capacity in the country. The imports are undercutting the domestic prices and the same has led to price suppression. Increase in imports in absolute terms, and in relation to production & consumption, positive price undercutting, leading to decline in production, sales, market share, profits, return on investment and cash profit prima facie shows that injury to the domestic industry is due to dumped imports.

J. Initiation of the Investigations

12. And whereas, the Authority prima facie finds that evidence of dumping of the subject goods, originating in or exported from the subject countries; and injury to the domestic industry and causal link between the alleged dumping and injury exists to justify initiation of an anti-dumping investigation. The Authority accordingly initiates an investigation into the alleged dumping, and consequent injury to the domestic industry in terms of Rule 5 of the Rules, to determine the existence, degree and effect of 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.

K. Submission of information

13. Known 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 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 Trade Remedies
Department of Commerce
Ministry of Commerce & Industry
4th Floor, Jeevan Tara Building,**

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.

L. Time limit

15. 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 impose or otherwise of the anti-dumping measures within 40 days from the date of issue of letter by the authority 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 Anti-Dumping Rules.

M. Submission of Information on Non-Confidential basis

16. In case confidentiality is claimed on any part of the questionnaire's 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
17. 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 two (2) copies of the non-confidential version must be submitted by all the interested parties
18. 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
19. 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.

20. 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.
21. 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.

N. Inspection of Public File

22. In terms of rule 6(7) any interested party may inspect the public file containing non-confidential versions of the evidence submitted by other interested parties.

O. Non-cooperation

23. 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.

(Sunil Kumar)
Additional Secretary & Designated Authority