

**To be published in Part-I Section I of the Gazette of India Extraordinary  
Government of India  
Department of Commerce & Industry  
(Directorate General of Trade Remedies)  
4th Floor, Jeevan Tara Building, 5, Parliament Street, New Delhi**

**NOTIFICATION**

**Initiation**

[Under Rule 6 of the Customs Tariff (Identification and Assessment of Safeguard Duty) Rules, 1997]

**(Safeguard Investigation)**

**[Case No: (SG) 05/2019]**

Dated 23<sup>rd</sup> September, 2019

**Subject: Notice of initiation of Safeguard Investigation concerning imports of “Single Mode Optical Fibre” into India**

F:No 22/5/2019-DGTR: An application has been filed by M/s Sterlite Technologies Limited ('STL') and M/s Birla Furukawa Fibre Optics Private Limited ('BFL') (hereinafter also referred to as the "Petitioners" or "Applicants") through M/s TLC Legal Advocates, New Delhi in terms of Section 8B of Customs Tariff Act, 1975 (hereinafter also referred to as "Act") read with Rule 5 of the Customs Tariff (Identification and Assessment of Safeguard Duty) Rules, 1997 (hereinafter also referred to as "Rules" or "safeguard rules"), as amended from time to time, alleging increased imports of "Single Mode Optical Fibre" (hereinafter also referred to as "SMOF" or "product under consideration" or "PUC" or subject goods) causing serious injury and threat of serious injury to the domestic industry. They have sought imposition of safeguard measures to protect the Domestic Industry of like article or directly competitive products from serious injury and threat of serious injury being caused by such increased imports of SMOF.

2. **Product under Consideration:** The product concerned is "Single-mode Optical Fibre" which refers to the Optical Fibre used to facilitate transmission of a single spatial mode of light as a carrier and is used for signal transmissions within certain bands. The standardized single mode optical Fibre types include the Non-dispersion shifted Fibre (G.652), Dispersion shifted Fibre (G.653), Cut-off shifted single mode optical Fibre (G.654), and Non Zero Dispersion Shifted Fibre (G.655 & G.656) as well as Bend insensitive single mode Fibre (G.657). The subject goods are mainly used for manufacturing Optical Fibre Cable. The subject products are classifiable under Tariff Heading 9001 (90011000) of the first schedule of Customs Tariff Act, 1975. It is clarified that the said HS code is indicative only and the product description shall prevail in all circumstances.

3. **Domestic Industry (DI):** The application has been filed by M/s Sterlite Technologies Limited ('STL') and M/s Birla Furukawa Fibre Optics Private Limited ('BFL') for imposition



of Safeguard Duty on imports of SMOF. The applicants account for a major share of the total production of the domestic like article in India. The two producers constitute Domestic industry in terms of Clause (b) of the sub-section (6) of Section 8B of the Custom Tariff Act, 1975.

4. **Period of Investigation:** The period of investigation (POI) considered for the purposes of present investigation is from 2016-17 to June 2019. The Applicants have submitted that there has been a sudden, sharp and significant surge in imports in 2018-19, which has continued thereafter as well. The Authority has taken six months period (i.e. January' 19 - June' 19) as the most recent period.

5. **Increased Imports:** The petitioners have claimed that there is a sudden, sharp and significant increase in imports in 2018-19 both in absolute terms as well as relative to DI production. It is noted that the imports (Non-DI) in 2018-19 have more than tripled from 2016-17 and 2017-18 levels and have continued to be at increased levels during the most recent period, i.e. January' 19 to June'19. The rate of increase in imports of subject goods is considered significant, considering their quantum during the POI and most recent period. The Petitioners have claimed that there is a confluence of a number of developments such as global over-capacity in Fibre industry, imposition of anti-dumping duty by China against most of the Optical Fibre manufacturing countries, and other fiscal/ non-fiscal restrictions imposed on sale/ use of China-made Optical Fibre, which has resulted in sudden diversion of imports to India.

6. **Serious Injury and threat of serious injury to the domestic industry:** The applicants have claimed that the increased imports of 'PUC' has caused and is threatening to cause serious injury to the domestic producers of 'PUC'. The Applicants have claimed that the demand in Indian market has increased during the POI and have continued to remain at increased level in the most recent period as well. They have also claimed that their sales to independent customers (i.e. domestic sales excluding captive/ related party sales/ DI imports) has substantially gone down during the POI as well as the most recent period. The Applicants have also submitted that their share in Indian demand for independent customers has declined significantly in the most recent period (i.e. in January- June'19), whereas the share of imports has increased drastically. The Applicants have further submitted that the Capacity utilization of the domestic industry has also declined in the most recent period (i.e. Jan-Jun' 19). They have also claimed that their profitability has considerably declined during the POI and they are running in losses in the most recent period. It has also been claimed by the applicants that because of the imports coming at low prices, the applicant companies were forced by their customers to reduce their prices resulting in significant price depression and suppression in the most recent period. The applicants have also claimed that there is a significant increase in inventories of subject goods lying with the domestic industry.

7. The applicants have requested for immediate imposition of provisional safeguard duty in view of significant surge in imports of subject goods causing serious injury and/or threatening to cause serious injury to the domestic industry.

8. After examining the application filed by applicants, the Director General, prima facie, finds that there is a significant increase in imports of subject goods during 2018-19 and the



most recent period, and such increase appears to be a result of unforeseen developments such as global oversupply, anti-dumping duty imposed by China PR against major Optical Fibre producing countries and other restrictions imposed on sale of China-made Optical Fibre, and that the volume and prices of these imports have caused and/or are threatening to cause significant injury to domestic industry.

### **Initiation**

9. After determining that there is sufficient evidence to justify initiation of safeguard investigation, the Director General initiates an investigation pursuant to rule 5 of the Safeguard rules, 1997 in order to determine whether as a result of unforeseen developments, the imports of the product under consideration constitute increased imports, and whether the increased imports have caused and/ or are threatening to cause serious injury to the domestic industry of like and/or directly competing products.

10. All interested parties may make their views known within a period of 30 days from the date of this notice to:

**Director General  
Directorate General of Trade Remedies (DGTR),  
Jeevan Tara Building, 4th Floor,  
5, Parliament Street,  
New Delhi -110001**

11. All known interested parties are also being addressed separately.

12. Any other party to the investigation who wishes to be considered as an interested party may submit its request so as to reach the Director General on aforementioned address within 30 days from the date of this notice.

13. If no information is received within the prescribed time limit or the information received is incomplete, the Director General may record its findings on the basis of the facts available on record. The information must be submitted in hard copies as well as soft copies.


14. **Submission of Information on Confidential Basis** – The parties making any submission (including Appendices/Annexure attached thereto), before the Director General including questionnaire response, are required to file the same in two separate sets, in case "confidentiality" is claimed on any part thereof. 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 Director General and the Director General 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 two (2) sets of each. The confidential version shall contain all information which are by nature confidential and/or other information which the supplier of such information claims as confidential. The 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. 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 Director General. The Director General may accept or reject the request for confidentiality on examination of the nature of the information submitted. If the Director General 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. Any submission made without a meaningful non-confidential version thereof or without a good cause statement on the confidentiality claim shall not be taken on record by the Director General. The Director General 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.

15. Any interested party may inspect the public file containing non-confidential version of the evidence submitted by other interested parties.

16. 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 Director General may record its findings on the basis of the facts available to it and make such recommendations to the Central Government as deemed fit.

  
23.9.19  
(Sunil Kumar)

Additional Secretary & Director General