

**No. 6/12/2019-DGTR
Government of India
Ministry of Commerce & Industry
Department of Commerce
(Directorate General of Trade Remedies)
4th Floor, Jeevan Tara Building, 5 Parliament Street, New Delhi - 110001

Dated 3rd July, 2019

INITIATION NOTIFICATION

(Case No – 10/2019)

Subject: Initiation of anti-dumping investigation concerning imports of Flat Rolled Products of Stainless Steel from China PR, Korea RP, European Union, Japan, Taiwan, Indonesia, USA, Thailand, South Africa, UAE, Hong Kong, Singapore, Mexico, Vietnam and Malaysia.

F. No. 6/12/2019-DGTR : Whereas Indian Stainless Steel Development Association (ISSDA), M/s Jindal Stainless Limited, Jindal Stainless (Hisar) Limited and Jindal Stainless Steelway Limited (hereinafter referred to as the applicants or petitioners) filed an application before the Designated Authority (hereinafter referred to as the Authority), on behalf of the domestic industry, in accordance with the Customs Tariff Act 1975, as amended from time to time (hereinafter 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 as amended from time to time, (hereinafter referred to as the Rules), alleging dumping of Flat Rolled Products of Stainless Steel (hereinafter referred to as the subject goods), from People's Republic of China, Korea RP, EU, Japan, Taiwan, Indonesia, USA, Thailand, South Africa, Mexico, UAE, Singapore, Hong Kong, Vietnam and Malaysia (hereinafter referred to as the subject countries) and requested for imposition of anti-dumping duties on the imports of the subject goods, originating in or exported from the subject countries.

A. Product under consideration (PUC)

2. The product under consideration in the present application is “Flat Rolled Products of Stainless Steel”, excluding the following:
 - a. Hot rolled stainless steel of 304 grade and width upto 1650mm (with permissible tolerances) from China, Malaysia and Korea, wherein anti-dumping duty was recommended vide notification no 14/30/2013-DGAD, dated 9th March, 2015 and imposed vide customs notification no. 28/2015-Customs (ADD) dated 5th June, 2015
 - b. Cold rolled stainless steel of 600 mm and above (with permissible tolerances) from China, Korea, EU, USA, Taiwan, Thailand, South Africa, except cold rolled stainless steel of more than 1250 mm having bonafide use as more than 1250 mm,

wherein anti-dumping duty was recommended and imposed vide customs notification no. No. 14/2010-Customs, dated 20th February, 2010. The said duties were recommended to be extended vide notification no. 5/04/2014-DGAD, dated the 12th October, 2015 and were extended vide customs notification no 61/2015-Customs (ADD) dated 11th December 2015.

- c. Blade Steel, also commercially known as razor blade grade steel used in production of razor.
 - d. Coin blank falling under 73269099 HS Code used in production of monetary coins.
3. The scope of the product under consideration includes cold rolled stainless steel of more than 1250 mm having bonafide use as more than 1250 mm, which were expressly excluded from the scope of measures recommended vide notification no No.14/1/2014- DGAD, dated the 19th February, 2016 and imposed vide customs notification no 52/2017-Customs (ADD) dated 24th October, 2017.
4. The product under consideration is classified in Chapter 72 under customs subheading no. 7219 and 7220 of the Customs Tariff Act, 1975. All forms and specifications of the product under consideration falling under 7219 and 7220, unless specifically excluded, are within the scope of the present investigations.

B. Like Articles

5. The applicants have claimed that the goods produced by the domestic industry are like articles to the subject goods originating in or exported from subject countries. It has been stated that there is no significant difference in the subject goods produced by the applicants and those exported from subject countries. The applicants have claimed that the two are technically and commercially substitutable. For the purpose of present investigation, the subject goods produced by the domestic industry are being treated as ‘like articles’ of the subject goods imported from subject countries.

C. Domestic Industry

6. The application has been filed by Indian Stainless Steel Development Association (ISSDA), Jindal Stainless Limited, Jindal Stainless (Hisar) Limited and Jindal Stainless Steelway Ltd. As per the evidence available on record, production of the applicant companies accounts for a major proportion of the total domestic production. The applicants therefore satisfy the requirements of Rule 2(b) and Rule 5(3) of the Rules and constitute an eligible domestic industry.

D. Product control numbers (PCN)

7. The applicants have proposed adoption of a product control number (PCN) for the purpose of fair comparison between different types/forms of the product. Applicants have proposed the PCN system on the basis of rolling condition, grade, form of the product, width, thickness and finish, considering Indian standards. Typical values suggested by the applicants are given below. the interested parties can however provide any additional information deemed necessary and appropriate for the purpose. Further, any comments with regard to the proposed PCN system may be filed within 14 days from the date of initiation of this investigation. Applicants have also clarified that hot rolled products are not produced and sold in thickness below 0.05 MM.

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| 1 | Condition | HR, CR, HRAP, CRAP |
| 2 | Grade | 201, 202, 216, 204CU, 212-YKK, 253 MA, J4, J5, J6, J7, J8, JSLAUS, JSLU, JT, 301, 304, 309, 310, 316, 317, 321, 347, 405, 409, 410, 415, 420, 430, 432, 436, 439, 441, 444, 446, DUPLEX, 904 L, Super Aus |
| 3 | Form | Coil, Plate, Sheet |
| 4 | Width | Width less than 600 MM, Width more than 600 MM |
| 5 | Thickness | <0.5 MM, =>0.5 MM |
| 6 | Finish | Black, No 1 HRAP, No 2B AND 2D CRAP Special (Scotch Brite, HL, NN, No 3 , No 4), Tempered |

E. Countries involved

8. The countries involved in the present investigation are People's Republic of China, Korea RP, EU, Japan, Taiwan, Indonesia, USA, Thailand, South Africa, Mexico, UAE, Singapore, Hongkong, Vietnam and Malaysia.

F. Normal Value

Normal Value- China

9. Applicants have claimed that China PR should be treated as a non-market economy and have requested to determine normal value in accordance with Para 7 and 8 of Annexure I of the Rules. . Normal value has been determined on the basis of cost of production in India, duly adjusted, and after additions for selling, general & administrative expenses and reasonable profits. Normal value has been separately determined for different product types.

Normal Value- Japan, Taiwan, EU, USA and Korea RP

10. The Applicants have submitted that they were not able to get any evidence of actual sales transactions or quotation of producers in these countries. However, evidence of prices prevailing in domestic market of Japan, Taiwan, EU, USA and Korea RP is available as per the MEPS Stainless Steel Review publication which reports domestic steel pricing data for flat and long products.
11. These prices have been considered as the price of the product type most commonly sold. Normal value for other product types have been assessed on the basis of price of commonly sold product and after due adjustments for the cost differences based on available information with regard to cost differences.

Normal Value-Thailand, South Africa, Singapore, Mexico, Hong Kong, Vietnam, Malaysia & UAE

12. Applicants have submitted that there are no publicly available information/evidence of transaction price or quotations of producers or indicative price of subject goods in the domestic market of Thailand, South Africa, Singapore, Mexico, Vietnam and UAE. Applicants have also submitted that efforts were made to get prices or quotations of

producers of the subject goods in the subject countries. However, the applicants has not been able to get information/evidence of the price of subject goods in the domestic market of these countries. MEPS Report also does not publish the price of subject goods of these countries. Normal value in these countries has been determined on the basis of best estimates of cost of production, and after additions for selling, general & administrative expenses and reasonable profits. Normal value has been separately determined for different product types.

Normal value for Indonesia

13. Applicants have claimed that it has a related party in Indonesia, namely, PT Jindal Stainless, which procures hot rolled flat products from India at arm's length price and sells cold rolled flat products after processing in Indonesia. Normal value has been determined on the basis of selling price of cold rolled products in Indonesia after making necessary adjustments. Normal value has been separately determined for different product types.

G. Export Price

14. The Applicants have determined export prices on the basis of DGCI&S transaction wise import data. The applicants have identified product type (PCN) in the import data on the basis of available information in the import data and its experience. Price adjustments have been allowed on account of ocean freight, marine insurance, commission, inland freight expenses, port expenses, bank charges and non-refundable VAT (for China) to arrive at the net export price.

H. Dumping Margin

15. Considering the estimates of normal value and export price, dumping margin has been determined for each import transaction. Weighted average dumping margin for the product under consideration have been determined considering associated weights. The resultant dumping margin are quite significant and much above de-minimus limits. There is sufficient evidence that the normal values of the subject goods in the subject countries are significantly higher than the net export prices, prima-facie, indicating that the subject goods originating in or exported from the subject countries are being exported at dumped prices, justifying initiation of antidumping duty investigation.

I. Period of investigation

16. The Period of Investigation (POI) in the present investigation is April 2018 to March 2019 (12 months). The injury investigation period shall cover the periods 2015-16, 2016-17, 2017-18 and the period of investigation.

J. Injury and Causal Link

17. Information furnished by the applicants have been considered for assessment of injury to the domestic industry. The applicants have furnished evidence regarding the injury having taken place as a result of the alleged dumping in the form of increased volume of dumped imports causing positive price undercutting and suppressing/depressing effect on the domestic industry. The applicants have claimed that its performance has been adversely impacted in respect of production, sales, capacity utilisation, market

share and consequent decline in profits, return on capital employed, and cash flow during the POI, as a result of significant imports at a price below selling price and non-injurious price for the domestic industry. There is sufficient prima facie evidence of the injury being caused to the domestic industry by dumped imports from subject countries to justify initiation of an antidumping investigation

18. The applicants have also claimed that imports are causing threat of material injury, considering significant increase in imports in the POI (particularly after excluding Chinese imports), significant positive price undercutting, significant surplus capacities in subject countries, high export orientation of producers in subject countries, trade remedial measures imposed by some countries on some of the subject countries, significant capacity addition in Indonesia.

K. Initiation of Anti-Dumping Investigation

19. 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.

L. Submission of information

20. The known exporters in the subject countries, the Government of the subject countries through their embassy 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,
5 Parliament Street, New Delhi – 110001

21. 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.

M. Time limit

22. 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 continue or otherwise 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.

N. Submission of Information on Non-Confidential basis

23. 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
24. 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
25. 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
26. 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.
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 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 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.

O. Inspection of Public File

29. 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.

P. Non-cooperation

30. 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.

Q. Sampling

31. In view of the potentially large number of exporting producers from the subject countries involved in this proceeding and in order to complete the investigation within the stipulated time limits, the Authority may limit the exporter(s)/ producer(s) to be investigated to a reasonable number by selecting a sample. The sampling shall be carried out, if required, in terms of Rule 17(3) of the Rules.

(Sunil Kumar)
Additional Secretary & Director General