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Government of India
Department of Commerce
Ministry of Commerce & Industry
(Directorate General of Anti-Dumping & Allied Duties)
Jeevan Tara Building, 4th Floor
5, Parliament Street
New Delhi- 110001

Dated the 19th February, 2016

INITIATION NOTIFICATION

Subject: Initiation of Anti-Circumvention investigations concerning imports of Cold-Rolled Flat Products of Stainless Steel originating in or Exported from China PR, Korea, European Union, South Africa, Taiwan, Thailand and USA

No.14/1/2014-DGAD - M/s. Jindal Stainless Ltd., New Delhi has filed an application before the Designated Authority (hereinafter referred to as the Authority) in accordance with the Customs Tariff Act, 1975 as amended in 1995 and Customs Tariff (Identification, Assessment and Collection of Anti-Circumvention Duty on circumvented articles and for determination of injury) Rules, 1995 (herein after referred to as Rules) for initiation of anti-circumvention investigation concerning alleged circumvention of anti-dumping duties imposed on certain Cold-Rolled Flat Products of Stainless Steel as defined under "Product under Consideration" (hereinafter referred to as subject goods) originating in or exported from China PR, Korea, European Union, South Africa, Taiwan, Thailand and USA (hereinafter referred to as subject countries).

AND WHEREAS, the Authority having found sufficient prima facie evidence of circumvention of the anti-dumping duties leviable on the subject goods by the subject countries, hereby initiates an investigation into the alleged circumvention of the anti-dumping duties in terms of the Rules 26(1) of the said Rules, to determine the existence, degree and effect of the alleged circumvention and to examine the need to extend the existing antidumping duty to the circumventing products.

A. Domestic Industry

1. The application has been filed by M/s Jindal Stainless Limited (hereinafter referred to as the domestic industry or the applicant), major producer of the subject goods. As per the information available on record, the applicant accounts for a major proportion of the total domestic production and also treated as Domestic Industry in the previous investigations.

B. Product under Consideration

2. The product under consideration for the purpose of this review stands defined as follows:

"Cold-rolled Flat products of stainless steel of width of 600 mm upto 1250mm of all series not further worked than Cold rolled (cold reduced) with a thickness of

up to 4mm (width tolerance of +30 mm for Mill Edged and +4mm for Trimmed Edged)", excluding the following:

- i. The subject goods of width beyond 1250 mm (plus tolerances).
- ii. Grades AISI 420 high carbon, 443, 441, EN 1.4835, 1.4547, 1.4539, 1.4438, 1.4318, 1.4833 and EN 1.4509.
- iii. Product supplied under Indian Patent No. 223848 in respect of goods comprising Low Nickel containing Chromium-Nickel Manganese-Copper Austenitic Stainless steel and representing Grades YU 1 and YU 4, produced and supplied by M/s Yieh United Steel Corp (Yusco) of Chinese Taipei (Taiwan).

Product under Investigation

3. The Product under Investigation alleged to be circumventing the anti-dumping duties are Cold-rolled Flat products of stainless steel of the same description as the Product under Consideration defined in paragraph 1 above but having widths above those described and covered under the scope of the Product under Consideration. These products i.e. product under investigation are also classifiable under Chapter 72 of the Customs Tariff Act, 1975 under the same sub-heading 7219.31, 7219.32, 7219.33, 7219.34, 7219.35 and 7219.90. The Customs classification is indicative only and not binding on the scope of this investigation. It is noted that the product under investigation which is the subject matter of the alleged circumvention has all the essential and basic characteristics of the product subject to anti-dumping duties. The only difference is in terms of its width.

C. Existing Measures

4. The existing anti-dumping measures imposed vide Notification No. 14/2010-Customs dated 20.2.2010 as amended time to time and further by Notification No. 61/2015-Customs dated 11.12.2015, are allegedly being circumvented.

D. Grounds for Alleged Circumvention:

5. The present application for anti-circumvention investigation has been filed seeking extension of existing anti-dumping duties levied vide Custom Notification 61/2015 dated 11.12.2015 on the products i.e., PUI circumventing the existing anti-dumping duties. The applicant has furnished a detailed statement setting out reasons / evidence for seeking investigation through review of existing anti dumping duties which, inter alia, includes:
 - i. Evidence to show significant changes in the pattern of trade involving exports from subject countries to post imposition of anti-dumping duties on the product under consideration. It has been claimed that there is no due cause or justification other than the imposition of the duty for such a change.
 - ii. Evidences with reasoning to show that only about 3% of the imports of widths above 1250mm is going into a genuine and usage as such and balance 97% of the imports are used only after slitting.
 - iii. Evidences to prove that value addition requires to convert product under investigation to product under consideration is way below the threshold limit of 35% as prescribed in the Rule 25 (1) (b).

- iv. Evidence to indicate that this change in the pattern of trade appears to stem from a simple slitting operation carried out in India whereby imports of the product under investigation are converted into product under consideration before final usage by the customers.
 - v. The request also contains sufficient *prima facie* evidence that the prices of the product under investigation are dumped in relation to the normal value previously established.
6. Evidence that the remedial effects of the existing anti-dumping duties on the product under consideration are being undermined on account of the significant volumes of imports of the product under investigation appear to having replaced imports of the product under consideration.

E. Procedure.

7. In light of the above, it is decided that sufficient evidence exists to justify the initiation of an investigation pursuant to Rule 26. It is also noted that in terms of the Rule 27, the Authority, upon determination that circumvention of anti dumping duty exists, may recommend extension of anti dumping duty to imports of articles found to be circumventing an existing anti dumping duty may apply retrospectively from the date of initiation of the investigation under Rule 26.

F. Period of Investigation:

8. The Period of investigation, as proposed by the applicants, was from 1st July 2014 to 30th June 2015 (12 months). However, to make required analysis on the basis of more recent and updated data, the Authority has extended the POI by three months and considered it as 1st July 2014 to 30th September 2015 (15 months).

G. Countries Involved

9. The countries involved in the present investigations are China PR, Korea, European Union, South Africa, Taiwan, Thailand and USA (subject countries).

H. Submission of Information

10. The exporters and importers known to be concerned and domestic industry are being informed separately to enable them to file all information relevant in the form and manner prescribed. Any other party interested to participate in the present investigation may write to:

The Designated Authority,
Directorate General of Anti-Dumping & Allied Duties,
Jeevan Tara Building, 4th Floor
5, Parliament Street
New Delhi- 110001

I. **Time limit**

11. On receipt of information from domestic industry, all interested parties, whose addresses are available, would be advised through a letter to offer their comments 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 such letter. Any other interested party, whose address is not available, may also submit comments/ information within 40 days from date of publication of this notification. The information must be submitted in hard copies as well as soft copies.

J. **Submission of Information on Confidential basis**

12. 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.).
13. 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 (5) sets of each.
14. 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 can not be disclosed.
15. 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, 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.
16. 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.

17. 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 Authority.
18. 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.

K. **Inspection of Public File**

19. 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.

L. **Non-cooperation**

20. 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 record its findings on the basis of the facts available to it and make such recommendations to the Central Governments as deemed fit.

(A K Bhalla)
Designated Authority