

14/40/2010-DGAD
Government of India
Department of Commerce
Ministry of Commerce & Industry
(Directorate General of Anti-Dumping & Allied Duties)
Udyog Bhawan, New Delhi-110107

Dated the 20th December 2010

INITIATION NOTIFICATION

Subject:- Initiation of Anti Dumping Investigation concerning imports of “Geogrid/Geostrips/ Geostraps made of Polyester or Glass Fiber in all its forms” (including all widths and lengths) originating in or Exported from China PR.

No.14/40/2010-DGAD: M/s Techfab India Industries Ltd., has filed an application before the Designated Authority (hereinafter referred to as the Authority) 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 AD Rules) for initiation of Anti-Dumping Duty investigation concerning imports of “Geogrid/Geostrips/ Geostraps made of Polyester or Glass Fiber in all its forms”, including all widths and lengths (hereinafter also referred to as the subject goods) originating in or exported from China PR(hereinafter also referred to as the subject country).

2. AND WHEREAS, the Authority 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 ‘injury’ exist to justify initiation of an anti-dumping investigation; the Authority hereby initiates an investigation into the alleged dumping, and consequent injury to the domestic industry in terms of the Rules 5 of the AD Rules, to determine the existence, degree

and effect of any alleged dumping and to recommend the amount of antidumping duty, which if levied would be adequate to remove the 'injury' to the domestic industry.

Domestic Industry & 'Standing'

3. The Application has been filed by M/s Techfab India Industries Ltd. on behalf of the domestic industry. The production of M/s Techfab India Industries Ltd accounts for a major proportion of the total domestic production of the like article and is more than 50% of Indian production of the like article. The application thus satisfies the requirements of Rule 2(b) and Rule 5(3) of the AD Rules. Further, M/s Techfab India Industries Ltd is proposed to be treated as "domestic industry" within the meaning of Rule 2(b) of the AD Rules.

Product under consideration

4. The product under consideration in the present application is "Geogrid/Geostrips/ Geostraps made of Polyester or Glass Fiber in all its forms" (including all widths and lengths).

Geogrid is a synthetic material having narrow elements in a regular, grid like pattern with voids (known as apertures). The major function of Geogrid is in the area of reinforcement. It is strength of the bands/ribs and size of apertures, which together lends stability to civil engineering structures. Geogrids are manufactured using different material and in various strengths (of bands/ ribs) and aperture sizes to meet specific end application/requirement. These can be made of polyester, polypropylene, glass fibre material, etc. Present application is against Geogrids made of polyester and glass fibre materials only. Polypropylene Geogrids are beyond the scope of the product under consideration. Polyester Geogrids are made of polyester yarn coated with polymeric compound. These can either be uniaxial or biaxial. Uniaxial polyester Geogrids primarily exhibits strength in one direction, i.e., machine direction, while biaxial polyester Geogrids exhibit strength in both directions, i.e., machine direction and cross direction. Fiber Glass Geogrids are made of glass fiber strands, coated with bitumen/ SBR/ Latex. Bitumen/ SBR/ Latex coating provides rigidity, and protects fiber glass Geogrid from coming in contact

with undesirable chemicals/ rays, thereby, preventing wear and tear of the same. In case of polyester Geogrids, this feature is achieved using polymeric coating.

Geogrids stuck to non-woven fabric are called non-woven Geogrid composites and are within the scope of product under consideration.

The applicant has proposed that different product types can be categorized on the basis of type of yarn (polyester or glass), orientation (uniaxial or biaxial), cross direction strength (in case of uniaxial geogrids) and ultimate tensile strength. The Authority has considered these product parameters for the purpose of the present investigations.

Like Articles

5. The applicant has claimed that the subject goods, which are being dumped into India, are identical to the goods produced by the domestic industry. There are no differences either in the technical specifications, quality, functions or end-uses of the dumped imports and the domestically produced subject goods. The two are technically and commercially substitutable and hence should be treated as 'like article' under the AD Rules.

Therefore, for the purpose of the present investigation, the subject goods produced by the applicant in India are being treated as 'Like Article' to the subject goods being imported from the subject country for the purpose of the present investigation.

Subject Countries

6. The countries/territory involved in the present investigation is the People's Republic of China (hereinafter also referred to as China PR).

Normal value

7. The Applicant has claimed that China PR should be treated as non market economy country. The applicant has further claimed that normal value could not be determined on the basis of price or constructed value in a market economy third country for the reason that the relevant information is not publicly available. Applicant

has claimed that India can be considered as an appropriate surrogate country for the Chinese producers. For the purposes of initiation, the normal value claims have been moderated by resorting to the constructed method of determination of normal value for exporters/producers from China PR. Separate normal value has been determined for different type of Gegrids.

Export Price

8. The applicant has claimed export prices on the basis of data obtained from IBIS. Price adjustments have been allowed on account of Ocean Freight, Marine Insurance, Inland Freight and Port expenses to arrive at the net ex-factory export price. Separate export price has been determined for different type of Gegrids

Dumping Margin

9. Based on the normal value and export price, the applicant has determined dumping margin separately for each product type. Weighted average normal value has been determined considering associated import weights. It is found that the normal value of the subject goods in the subject country is significantly higher than the net export prices, prima-facie, indicating that the subject goods originating in or exported from the subject country are being dumped, to justify initiation of an antidumping investigation.

Injury and Causal Link

10. The applicant has furnished evidence regarding the 'injury' having taken place as a result of the alleged dumping in the form of increased volume of dumped imports, price undercutting, price suppression and decline in profitability, return on capital employed and cash flow for the domestic industries. There is sufficient evidence of the 'injury' being suffered by the applicant caused by dumped imports from subject countries to justify initiation of an antidumping investigation.

Period of Investigation

11. The applicant has proposed April'09 to 31st March 2010 (Twelve months) as the period of investigation. However, the Authority has considered 1st April 2009 to

30th June 2010 (15 Months) as the POI for the purpose of present investigation by extending a quarter. The injury investigation period will however cover the periods April 2006-March 2007, April 2007-March 2008, April 2008-March 09 and the POI.

Submission of information

12. The known exporters in the subject country and their Government through their Embassy in India, importers and users in India known to be concerned and the domestic industry are being informed separately to enable them to file all information relevant in the form and manner prescribed. Any other interested party may also make its submissions relevant to the investigation within the time-limit set out below and write to:

**The Designated Authority,
Directorate General of Anti-Dumping & Allied Duties,
Ministry of Commerce & Industry,
Department of Commerce
Room No.243, Udyog Bhawan,
New Delhi -110107.**

Time limit

13. Any information relating to this investigation should be sent in writing so as to reach the Authority at the above address not later than 40 days from the date of publication of this notification. If no information is received within the prescribed time limit or the information received is incomplete, the Authority may record their findings on the basis of the 'facts available' on record in accordance with the AD Rules.

Submission of Information on Non-Confidential basis

14. All interested parties shall provide a confidential and non-confidential summary in terms of Rule 7 (2) of the AD Rules for the confidential information provided as per Rule 7 (1) of the AD Rules. The non-confidential version or non-confidential summary of the confidential information should be in sufficient detail to provide a meaningful understanding of the information to the other interested parties. If in the

opinion of the party providing information, such information is not susceptible to summary; a statement of reason thereof is required to be provided.

Notwithstanding anything contained in para above, 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 authorise its disclosure in a generalised or summary form, it may disregard such information.

Inspection of Public File

15. 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.

Non-cooperation

16. 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.

(P. K. Chaudhery)
The Designated Authority