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File No 14/23/2014-DGAD

Government of India

Department of Commerce

Ministry of Commerce & Industry

(Directorate General of Anti Dumping & Allied Duties)

4th Floor, Jeevan Tara Building, Parliament Street

Dated the 07th May 2015

INITIATION NOTIFICATION

Subject: Initiation of Anti-Dumping Duty investigation concerning import of “Plain medium density Fibre Board having thickness of 6mm and above” originating in or exported from Indonesia and Vietnam.

F. No. 14/23/2014-DGAD: WHEREAS M/s Greenply Industries Ltd. and M/s Mangalam Timber Products Ltd.(hereinafter referred to as ‘petitioner’ or “ the applicant”) have filed an application (also referred to as petition) 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 an Anti-Dumping Duty investigation concerning imports of Plain Medium Density Fibre Board having thickness of 6mm and above (hereinafter also referred to as the subject goods or “MDF”) originating in or exported from Indonesia and Vietnam (hereinafter also referred to as the subject countries). The applicants have provided relevant information necessary for initiation.

1. AND WHEREAS, the Authority finds that sufficient prima facie 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 ‘dumping’ and ‘injury’ exists 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 Rule 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.

A. Product under consideration and Like Article

2. The product under consideration in the present petition and proposed investigation is "MDF". MDF is also known as Plain MDF Board in market parlance. Plain Medium Density Fibre Board or Plain MDF Board is a composite wood product made out of wood waste fibres glued together with urea formaldehyde resin or melamine resin, heat and pressure. It is widely used for partitions, Modular furniture, cabinets etc. due to its smooth and uniform finish.

3. The petitioners have claimed that the imported MDFs as defined above and the MDF produced and sold by them 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 can use and are using the two interchangeably and are therefore, technically and commercially substitutable. Therefore, the domestic products and imported subject goods are like products within the meaning of the term under the Rules

4. The product under consideration falls under the Chapter 44 of the Customs Tariff Classification, that is "wood and articles of wood; wood charcoal" and more specifically, under Heading 4411, "Fibre Board of Wood or other Ligneous Materials, Whether or not Bonded with resins or other Organic Substances". The Customs classification is, however, indicative only and in no way binding on the scope of the proposed investigation and proposed measures.

B. Domestic Industry & Standing

5. The petition has been filed by M/s Greenply Industries Ltd. and M/s Mangalam Timber Products Ltd. Petitioners have submitted that there are four other companies with production capacities for the product under consideration in India, namely, M/s Rushil Décor Limited, M/s Shirdi Industries Limited, M/s Nuchem Limited and M/s Balaji Action Buildwell. Of these companies, Nuchem

Limited (manufacturing NUWUD MDF brand) is not producing after 2010-11 and Bajaj Eco-Tec Products Limited ceased production prior to the base year. Rushil Décor Limited has given a letter of support in favour of the application. As per the above information submitted by the applicants, the applicants command a major proportion of the domestic industry.

6. It is also noted that petitioners have not imported the product under consideration, nor are they related to any importer or exporter of the product under consideration. Therefore, the application has been made by and on behalf of the domestic industry and the applicants satisfy the requirements of 'standing' under Rule 5 of the AD Rules and constitute 'Domestic Industry' in terms of Rule 2(b) of the AD Rules.

C. Countries Involved

7. The countries involved in the present investigation are Indonesia and Vietnam.

D. Normal value

8. In the absence of any direct evidence of selling prices of the subject goods in the domestic markets of the countries of exports, the domestic industry has estimated normal values of each product type in the countries of export based on constructed cost of production plus reasonable profit taking into account international raw material prices and manufacturing costs in India duly adjusted for the exporting countries. Reasonable estimates of the conversion cost, selling, general and administrative expenses have been made for arriving at the constructed normal value of subject goods in subject countries. The Authority has accepted these estimates as sufficient preliminary evidence for the purpose of initiation of the investigation.

E. Export Price

9. The export prices have been estimated based on the import data sourced by the petitioners for the period of investigation from IBIS data source after making adjustments on account of Ocean freight, Marine insurance, Document Charges, Cleaning Charges, etc. as per the best information available with them to arrive at ex-works export prices. The Import data and adjustments

appear to be prima facie reasonable for estimation of the export prices from the subject countries.

F. Dumping Margin

10. As per the positive evidence placed by the applicants before the Authority the estimated Normal Values of the subject goods in the subject countries are significantly higher than the net export prices to India, indicating prima-facie that the subject goods are being dumped in the Indian market by exporters from the subject countries. The dumping margins so estimated, are positive and above *de minimis*.

G. Injury and Causal Link

11. The petitioners have alleged that dumped imports from the subject countries are cumulatively injuring the domestic industry due to the volume and price effects of dumped imports. Having examined the mandatory parameters, the Authority is of the view that cumulative assessment of injury is appropriate in view of the situation of competition between dumped imports from various sources and sales of the domestic industry. The petitioners have furnished information on volume and value of dumped imports from the subject countries and various parameters establishing injury to the domestic industry, on account of import of the product under consideration.

12. The petitioners have furnished evidence regarding injury suffered as a result of the alleged dumping of subject goods from subject countries in terms of increase in imports in absolute terms, decline in production, sales, capacity utilization, deterioration in profits, return on capital employed and cash profit etc. The applicants have also claimed adverse price effects as evidenced by price suppression. The Authority considers that there is sufficient evidence of 'injury' being suffered by the applicant caused by dumped imports of subject goods from subject countries to justify initiation of an antidumping investigation.

H. Period of Investigation

13. The period of investigation for the present investigation is from 1st October 2013 to 30th September 2014. However, the injury investigation period

will cover the periods April 2011-March 2012, April 2012 to March 2013, April 2013 to March 2014 and the Period of Investigation (POI).

I. Initiation of Investigation and further procedure

14. In view of sufficient evidence of dumping, injury and causal links placed by the domestic industry as above, the Designated Authority, in terms of Rule 5 of the AD Rules, hereby initiates an anti-dumping investigation into the existence, degree of alleged dumping of the subject goods originating in or exported from the subject countries and its effect on the domestic industry and to recommend the amount of antidumping duty, which if levied would be adequate to remove the 'injury' to the domestic industry.

i. Period of Investigation

15. The period of investigation for the present investigation is from 1st July 2013 to 30th June 2014 (12 months). However, the injury investigation period will cover the periods April 2011 to March 2012, April 2012 to March 2013, April 2013 to March 2014 and the Period of Investigation (POI).

ii. Submission of information

16. The exporters in subject countries, their government through their Embassies in India, the known importers and users in India would be addressed separately to submit relevant information in the form and manner prescribed and to make their views known to the Authority in the following address:

**The Designated Authority,
Ministry of Commerce & Industry
Department of Commerce
Directorate General of Anti Dumping & Allied Duties
4th Floor, Jeevan Tara Building, Parliament Street
New Delhi 110001**

17. 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.

iii. Time limit

18. 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. 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 AD Rules.

iv. Submission of information on confidential basis

19. 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.).

20. 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 two (2) sets of each.

21. 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.

22. 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.

23. 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.

24. 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.

25. 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.

v. Inspection of Public File

26. In terms of Rule 6(7), any interested party may inspect the public file containing non- confidential version of the evidence submitted by other interested parties.

vi. Non-cooperation

27. 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 Authority may record its findings on the basis

of the facts available to it and make such recommendations to the Central Government as deemed fit.

(J.K.Dadoo)
Designated Authority