

**To be published in Part-I Section I of the Gazette of India Extraordinary**

No. 14/29/2015-DGAD  
Government of India  
Department of Commerce  
(Directorate General of Anti-Dumping & Allied Duties)  
New Delhi -110001

Dated: 27<sup>th</sup> January, 2016

**INITIATION NOTIFICATION**

**Subject: Initiation of Anti-Dumping Investigation concerning imports of Elastomeric Filament Yarn from China PR, South Korea, Taiwan and Vietnam**

F.No.14/29/2015-DGAD: M/s Indorama Industries Ltd (hereinafter also referred to as the Petitioner or Applicant) has filed an application before the Designated Authority (hereinafter also referred to as the Authority) in accordance with the Customs Tariff Act, 1975 as amended from time to time (hereinafter also referred to as the Act) and the 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 also referred to as the Rules) for imposition of Anti-dumping duty on imports of Bare Elastomeric Filament Yarn of all deniers up to and including 150 Deniers and all lustres (like bright, semi dull and dull) but not including coloured yarns” (hereinafter also referred to as the subject goods or PUC) from China PR, South Korea, Taiwan and Vietnam (hereinafter also referred to as the subject countries).

**Product under consideration**

2. The product under consideration in the present application is “Elastomeric Filament Yarn of all deniers upto and including 150 Deniers, excluding coloured yarns”. These filament yarns are also commonly referred to as Spandex or Elastane. These yarns are also referred to as “Lycra” in the market even though it is a specific brand name. These are described in technical terms as segmented polyurethane composed of “soft” or flexible, segments bonded together with “hard” or rigid segments. This gives the fibre its built-in lasting elasticity. It is an elastomeric fibre used widely as the minor component in stretch garments to provide stretch with recovery.

3. Spandex yarn is mainly used to make such garments that require great comfort and fit. As such, they find applications in manufacturing of hosiery, swimsuits, aerobic or exercise wear, ski pants, golf jackets, disposable diaper, waist bands, bra straps, bra side panels, bra cups etc. Spandex fabrics are also used to make compression garments, such as surgical hose, support hose, bicycle pants, foundation garments etc
4. The subject goods are described in terms of the deniers and are sold generally in the range of 10 - 1680 deniers. The subject goods are classified under chapter heading 5404 11 00. However, it has been claimed by the petitioner, the subject goods are also being imported under tariff headings 5402 44 00 and 5402 69 90. It is clarified that the HS codes are only indicative and the product description shall prevail in all circumstances.
5. The Product under Consideration is defined as follows:

“Elastomeric Filament Yarn of all deniers upto and including 150 Deniers, excluding coloured yarns”.

#### **Like Article**

6. The petitioner submitted that subject goods produced by the petitioner companies and the subject goods imported from the subject countries are like articles. There is no known difference between the subject goods exported from subject countries and that produced by the petitioner. Elastomeric Filament Yarn produced by the domestic industry and imported from subject countries 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. The two are technically and commercially substitutable and hence should be treated as ‘like article’ under the 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.

#### **Domestic Industry & Standing**

7. The Application has been filed by M/s Indorama Industries Ltd., as domestic industry of the product under consideration. According to the Petitioner, they are the sole producers of the subject goods in India. The petitioner has certified that there are no imports of the product under consideration by the petitioner or any of its related party from the subject countries. Since the production of the

petitioner accounts for “a major proportion” in the total production of the product under consideration in India, the petitioner satisfies the standing and constitutes Domestic Industry within the meaning of the Rules.

### **Countries involved**

8. The present investigation is in respect of alleged dumping of the product under consideration from China PR, South Korea, Taiwan and Vietnam.

### **Normal Value**

9. The petitioner has claimed that China PR should be treated as a non-market economy and has determined normal value in accordance with Para 7 and 8 of Annexure I of the Rules. In view of the non-market economy presumption and subject to rebuttal of the same by the responding exporters, normal value of the subject goods in China PR has been estimated in terms of Para 7 of Annexure I to the Rules. The applicant has determined the normal value based on cost of production in India, duly adjusted with selling, general and administrative expenses and reasonable profit.
10. Further, the applicant has also constructed the normal values in respect of Korea, Taiwan and Vietnam on the grounds that they were neither able to get any documentary evidence nor reliable information with regard to domestic prices of the subject goods in the said countries. Further, such information is also not available in public domain. The Authority has *prima-facie* considered the normal value of subject goods in subject countries on the basis of constructed values as made available by the applicants for the purpose of this initiation.

### **Export Price**

11. The applicant has determined the export price on the basis of data published by IBIS. Price adjustments have been claimed on account of commission, ocean freight, port expenses, inland freight, marine insurance, VAT adjustment and bank charges. During the course of investigation, the Authority will also analyse transaction-wise import data from Directorate General of Commercial Intelligence & Statistics (DGCIS)

### **Dumping Margin**

12. The normal value and the export price have been compared at ex-factory level, which show significant dumping margin in respect of the subject country. There is sufficient *prima facie* evidence that the normal value of the subject goods in the subject country is significantly higher than the ex-factory export price, indicating, *prima facie*, that the subject goods are being dumped into the Indian market by the exporters from the subject country.

### **Injury and Causal Link**

13. The applicant has claimed that domestic industry has suffered material injury from dumped imports. The demand for the product under consideration has increased over the injury period and subject imports have increased in absolute terms. The imports are undercutting the domestic prices. The imports have suppressed/depressed the domestic prices over the injury period. With regard to consequent impact of the imports on the domestic industry, it is noted that performance of the domestic industry has deteriorated in respect of parameters such as profits; return on capital employed and cash profits. The domestic industry is suffering significant financial losses, cash losses and negative return on investments. There is sufficient prima facie evidence of injury to the domestic industry caused by dumped imports from subject countries to justify initiation of an anti-dumping investigation.
14. And whereas, the Authority prima facie 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 Para 5 of the Rules, to determine the existence, degree and effect of alleged dumping and to recommend the amount of antidumping duty, which if levied, would be adequate to remove the 'injury' to the domestic industry.

### **Period of Investigation (POI)**

15. The period of investigation for the purpose of present investigation is from 1<sup>st</sup> October 2014 to 30<sup>th</sup> September 2015 (12 months). However, the injury investigation period will cover the data of previous three years, i.e. April 2012 to March 2013, April 2013 to March 2014, April 2014 to March-2015 and POI.

### **Submission of Information**

16. The exporters in the subject countries, their government through their Embassy in India, the importers and users in India known to be concerned and the domestic industry 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 Anti-Dumping & Allied Duties  
Department of Commerce,  
Jeevan Tara Building, 4<sup>th</sup> Floor  
5, 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. Any party making any confidential submission before the Authority is required to make a non-confidential version of the same available to the other parties.

### **Time Limit**

18. Any information relating to the present investigation should be sent in writing so as to reach the Authority at the address mentioned above not later than forty days (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 its findings on the basis of the facts available on record in accordance with the AD Rules.

19. 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 within forty days (40 days) from the date of publication of this Notification. The information must be submitted in hard copies as well as soft copies.

### **Submission of information on confidential basis**

20. 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.

21. 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.

22. 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.

23. 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.

24. 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.

25. 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.

26. 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.

### **Inspection of Public File**

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

### **Non-cooperation**

28. 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.

**A K Bhalla**  
**Designated Authority**