F. No. 6/28/2023-DGTR

Government of India

Department of Commerce

Ministry of Commerce & Industry

(Directorate General of Trade Remedies)

4th Floor, Jeevan Tara Building, Parliament Street, New Delhi - 110001

INITIATION NOTIFICATION

Case No - AD (OI) - 25/2023

Dated: 30th September 2023

Subject: - Initiation of Anti-Dumping Investigation concerning imports of Welded Stainless-Steel Pipes and Tubes originating in or exported from Thailand and Vietnam.

F. No. 6/28/2023-DGTR. Stainless Steel Pipe and Tubes Manufacturer Association (Delhi) and Stainless Steel Pipes & Tubes Manufacturers Association (Gujarat) (hereinafter referred to as the "applicants") have filed an application on behalf of the domestic industry 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 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 "AD Rules"), for the initiation of an anti-dumping investigation concerning imports of "welded stainless steel pipes and tubes" (hereinafter referred to as the "subject goods" or "product under consideration") originating in or exported from Thailand and Vietnam (hereinafter referred to as the "subject countries"). The application has been filed by two associations of the domestic producers of the PUC in India in terms of the Trade Notice 09/2021 dated 29th July 2021.

A. Product under consideration

- 2. The product under consideration in the present investigation is 'welded stainless steel pipes and tubes'.
- The product under consideration is manufactured using stainless steel sheet, skelp, coil or
 plates. The raw material is formed into required shape and welded through suitable welding
 process.
- 4. The product under consideration is classified under Chapter 73 of the First Schedule to the

Customs Tariff Act, 1975 and further, classified under ITC HS Codes 7306 40 00, 7306 61 00 and 7306 69 00. The product under consideration is also being imported under the ITC HS Codes under 7304 11 10, 7304 11 90, 7304 41 00, 7304 51 10, 7304 90 00, 7305 11 29, 7305 90 99, 7306 11 00, 7306 21 00, 7306 29 19, 7306 30 90, 7306 50 00, 7306 90 11, 7306 90 19 and 7306 90 90. The customs classification is only indicative and is not binding on the scope of the present investigation.

5. The parties to the present investigation may provide their comments on the PUC and propose PCNs, if any, within 15 days of circulation of the non-confidential version of the documents filed before the Authority in terms of paragraph 24 of this initiation notification.

B. Like article

6. The applicants have claimed that there are no known significant differences in the goods produced by the applicants and that exported from the subject countries. Both the products have comparable characteristics in terms of parameters such as physical & chemical characteristics, manufacturing process & technology, functions & uses, product specifications, pricing, distribution & marketing and tariff classification. The applicants have claimed that the two are technically and commercially substitutable. Therefore, for the purpose of initiation of the present investigation, the subject goods produced by the petitioning domestic producers are being treated as 'like article' to the subject goods originating in or exported from the subject countries.

C. Domestic industry and standing

- 7. The application has been filed by Stainless Steel Pipe and Tubes Manufacturer Association (Delhi) and Stainless-Steel Pipes & Tubes Manufacturers Association (Gujarat) on behalf of members of the respective associations in terms of Trade Notice 09/2021 dated 29th July 2021, which states that in case the domestic industry is fragmented, the application may be filed by an association on behalf of the domestic industry, provided that such domestic producers represent major proportion of total eligible domestic production. The applicants have submitted that the domestic industry manufacturing the PUC are fragmented in nature, with more than 100 producers of subject goods in India. The applicants have submitted that the petitioning domestic producers are not related to exporters of subject goods in subject countries or importers of product under consideration in India. Further, such producers have not imported the product under consideration during the period of investigation.
- 8. The Authority *prima facie* observes that the association has acted on behalf of domestic producers. In view of the above, and after examination of the application filed by the

applicants, the Authority *prima facie* notes that the applicants constitute 'domestic industry' within the meaning of Rule 2(b) and the application satisfies the criteria of standing in terms of Rule 5(3).

9. It is further noted that as per Trade Notice No. 09/2021 dated 29th July 2021, "[t]he Authority for the purpose of determining injury margin may limit detailed examination of applicant domestic producers to a limited number of domestic producers." In view of the same, the Authority will consider an appropriate sample of domestic producers for the purpose of determining the injury and injury margin during the course of the investigation.

D. Subject countries

10. The subject countries for the present anti-dumping investigation are Thailand and Vietnam.

E. Period of investigation

11. The period of investigation for the purpose of the present investigation is 1st April 2022 to 31st March 2023 (12 months). The injury analysis period covers the period of investigation and the three preceding financial years 2019-20, 2020-21, 2021-22 and the period of investigation.

F. Normal value for Thailand and Vietnam

- 12. The applicants have claimed that they did not have access to information regarding the domestic selling price prevailing in the subject countries. Since there is no dedicated tariff classification for the product, the applicants could not rely upon price of imports into the subject countries or exports from the subject countries.
- 13. For the purpose of initiation, the Authority has considered normal value for Thailand and Vietnam based on cost of production with addition for profits and selling, general and administrative expenses along with a reasonable profit margin.

G. Export price

14. The Export price of the subject goods from the subject countries has been determined by considering CIF price of the subject goods. Price adjustments have been made on account of port expenses, inland freight, ocean freight, marine insurance, bank commission & credit cost to arrive at the net export price.

H. Dumping margin

15. The normal value and the export prices have been compared at the ex-factory level, which *prima facie* establishes that the dumping margin is above the *de minimis* level with respect to

the subject goods imported from Thailand and Vietnam. Thus, there is sufficient *prima facie* evidence that the product under consideration from Thailand and Vietnam is being dumped in the domestic market of India by the exporters from the said countries.

I. Injury and Causal link

16. Information furnished by the applicants has been considered for assessment of injury to the domestic industry. The applicants have furnished *prima facie* evidence regarding injury suffered as a result of the alleged dumping, resulting in significant increase in imports in absolute and relative terms. The rate of increase in volume of imports is much higher than the rate of increase in demand. The applicants have claimed that the imports are undercutting and suppressing the prices of the domestic industry. This has adversely impacted the performance of the domestic industry in respect of capacity utilization and inventories, and there has been a decline in its profitability in the period of investigation. The applicants have claimed that despite imposition of countervailing duty and sufficient capacities in India, the domestic producers were unable to obtain a substantial share in demand due to imports from Thailand and Vietnam. There is sufficient *prima facie* evidence of material injury being caused to the domestic industry by the dumped imports from the subject countries justifying initiation of anti-dumping investigation.

J. <u>Initiation of Anti-Dumping Investigation</u>

17. The Authority is satisfied as to the accuracy and adequacy of the information provided by the applicants. On the basis of the duly substantiated application filed by the applicants, and having reached satisfaction based on the *prima facie* evidence submitted therein, concerning the dumping of the subject goods originating in or exported from the subject countries, the consequential injury to the domestic industry as a result of the alleged dumping of the subject goods and the causal link between such injury and the dumped imports, and in accordance with Section 9A of the Act read with Rule 5 of the AD Rules, the Authority, hereby, initiates an anti-dumping investigation to determine the existence, degree and effect of the dumping with respect to the product under consideration originating in or exported from the subject countries and to recommend the appropriate amount of anti-dumping duty, which if levied, would be adequate to remove the injury to the domestic industry.

K. Procedure

18. Principles as given in Rule 6 of the Rules will be followed for the present investigation.

L. Submission of Information

19. All communication should be sent to the Designated Authority via email at email addresses

dd11-dgtr@gov.in and ddl6-dgtr@gov.in with a copy to adg14-dgtr@gov.in and adv13-dgtr@gov.in. It must be ensured that the narrative part of the submission is in searchable PDF/MS-Word format and data files are in MS-Excel format.

- 20. The known producers/exporters in the subject countries, the Government of the subject countries through their embassies in India, and the importers and users in India who are known to be associated with the subject goods are being informed separately to enable them to file all the relevant information within the time limits mentioned in this initiation notification. All such information must be filed in the form and manner as prescribed by this initiation notification, the Rules, and the applicable trade notices issued by the Authority.
- 21. Any other interested party may also make a submission relevant to the present investigation in the form and manner as prescribed by this initiation notification, the Rules, and the applicable trade notices issued by the Authority within the time limits mentioned in this initiation notification.
- 22. Any party making any confidential submission before the Authority is required to make a non-confidential version of the same available to the other interested parties.
- 23. Interested parties are further directed to regularly visit the official website of the Directorate General of Trade Remedies (https://www.dgtr.gov.in/) to stay updated and apprised with the information as well as further processes related to the investigation.

M. Time Limit

- Authority via email at email address dd11-dgtr@gov.in and dd16-dgtr@gov.in with a copy to adg14-dgtr@gov.in and adv13-dgtr@gov.in within 30 days from the date on which the non-confidential version of the documents filed by the domestic industry would be circulated by the Designated Authority or transmitted to the appropriate diplomatic representative of the exporting countries as per Rule 6(4) of the Rules. If no information is received within the stipulated time limit or the information received is incomplete, the Authority may record its findings based on the facts available on record and in accordance with the Rules.
- 25. 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 within the above time limit as stipulated in this notification.
- 26. Where an interested party seeks additional time for filing of submissions, it must demonstrate sufficient cause for such extension in terms of Rule 6(4) of the AD Rules, 1995 and such request must come within the time stipulated in this notification.

N. Submission of Information on Confidential Basis

- 27. Where any party to the present investigation makes confidential submissions or provides information on a confidential basis before the Authority, such party is required to simultaneously submit a non-confidential version of such information in terms of Rule 7(2) of the Rules and in accordance with the relevant trade notices issued by the Authority in this regard.
- 28. Such submissions must be clearly marked as "confidential" or "non-confidential" at the top of each page. Any submission that has been made to the Authority without such markings shall be treated as "non-confidential" information by the Authority, and the Authority shall be at liberty to allow other interested parties to inspect such submissions.
- 29. 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 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.
- 30. The non-confidential version of the information filed by the interested parties should be a replica of the confidential version with the confidential information preferably indexed or blanked out (where indexation is not possible) and such information must be appropriately and adequately summarized depending upon the information on which confidentiality is claimed.
- 31. The non-confidential summary must be in sufficient detail to permit a reasonable understanding of the substance of the information furnished on a confidential basis. However, in exceptional circumstances, the party submitting the confidential information may indicate that such information is not susceptible to summary, and a statement of reasons containing a sufficient and adequate explanation in terms of Rule 7 of the Rules, 1995, and appropriate trade notices issued by the Authority, as to why such summarization is not possible, must be provided to the satisfaction of the Authority.
- 32. The interested parties can offer their comments on the issues of confidentiality claimed by the domestic industry within 7 days from the date of circulation of the non-confidential version of the documents in terms of paragraph 24 of this initiation notification.
- 33. Any submission made without a meaningful non-confidential version thereof or a sufficient and adequate cause statement in terms of Rule 7 of the Rules, and appropriate trade notices issued by the Authority, on the confidentiality claim shall not be taken on record by the

Authority.

- 34. The Authority may accept or reject the request for confidentiality on examination of the nature of the information submitted. If the Authority is not satisfied that the request for confidentiality is 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.
- 35. The Authority on being satisfied and accepting the need for confidentiality of the information provided, shall not disclose it to any party without specific authorisation of the party providing such information.
- 36. A list of registered interested parties will be uploaded on the DGTR's website along with the request therein to all of them to email the non-confidential version of their submissions to all other interested parties.

O. Non-Cooperation

37. In case any interested party refuses access to and otherwise does not provide necessary information within a reasonable period or within the time stipulated by the Authority in this initiation notification, or significantly impedes the investigation, the Authority may declare such interested party as non-cooperative and record its findings based on the facts available and make such recommendations to the Central Government as it deems fit.

(Anant Swarup)

Designated Authority