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Government of India
Department of Commerce
Ministry of Commerce & Industry
(Directorate General of Trade Remedies)
4th Floor, Jeevan Tara Building, 5, Parliament Street, New Delhi – 110001**

Dated 11th May, 2020

INITIATION NOTIFICATION

Case No. ADD-OI 08/2020

Subject: - Initiation of Anti-dumping investigation concerning imports of Plain Medium Density Fibre Board having thickness 6 mm and above produced by M/s Kim Tin MDF Joint Stock Company, Vietnam.

1. M/s Greenply Industries Limited/ M/s Greenpanel Industries Limited, and M/s Century Plyboards (India) Ltd. and M/s Rushil Decor Limited (hereinafter referred to as the “Applicants”) have filed an application before the Designated Authority (hereinafter also referred to as the “Authority”), on behalf of the domestic industry, in accordance with the Customs Tariff Act, 1975 as amended from time to time (hereinafter also referred 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 as the “Rules”), for an original Anti-dumping investigation concerning imports of Plain Medium Density Fibre Board having thickness 6 mm and above (hereinafter also referred to as “product under consideration” or “PUC” or “subject goods”) produced by M/s Kim Tin MDF Joint Stock Company, Vietnam.
2. The Applicants have alleged that material injury to the Domestic Industry is being caused due to dumped imports from M/s Kim Tin MDF Joint Stock Company, Vietnam and have requested for imposition of anti-dumping duty on the imports of the subject goods.

Background

3. The original investigation concerning imports of the subject goods from Indonesia & Vietnam was initiated by the Authority vide Notification No. 14/23/2014-DGAD dated 7th May 2015. The Authority notified final findings vide Notification No. 14/23/2014/DGAD dated 5th May 2016 recommending definitive antidumping duty on imports of Plain Medium Density Fibre board from the Indonesia and Vietnam. The definitive antidumping duty was imposed on the subject goods vide Customs Notification No. 34/2016-Customs (ADD) dated 14th July 2016. The duties are

effective till 13th July 2021. No anti-dumping duty was levied on M/s Kim Tin MDF Joint Stock Company, Vietnam since the dumping margin was below *de-minimus* level. Thus, Anti-dumping investigation against the said exporter was terminated and accordingly, no review can be initiated against M/s Kim Tin MDF Joint Stock Company Vietnam.

Subject Exporter

4. The Applicants have claimed injury due to dumped imports from M/s Kim Tin MDF Joint Stock Company, Vietnam.

Product under Consideration

5. The product under consideration in the investigation is “Plain Medium Density Fiber board having thickness 6 mm and above”. The product has been defined as under:

The product under consideration is Plain Medium Density Fiber Board, also known as Plain MDF Board. It is a composite wood product made out of wood waste fibers glued together with urea formaldehyde resin or melamine resin by applying heat and pressure. It is widely used for partitions, Modular furniture, cabinets etc, due to its smooth and uniform finish. MDF Board is produced in plain form and lamination is additional processing which is carried out after production of Plain MDF Board.

The laminated Medium Density Fibre Board (laminated MDF Board) is beyond the scope of product under consideration. The Plain Medium Density Fibre Board having thickness of less than 6 mm is excluded from the product scope. The product under consideration accordingly is “Plain Medium Density Fibre Board having thickness 6 mm and above”.

6. The subject goods are classifiable under Chapter 4 of the Act, under sub-headings 44111200 and 44111300. However, the subject goods are being imported under other tariff sub-heading also, i.e. 44119219, 44119229, 44119319, 44119419 as well. These custom classifications are indicative only and in no way binding on the scope of this investigation.

Like Article

7. The Applicants have 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 Rules. Therefore, for the purpose of the present investigation, the subject goods produced by the Applicants in India are being treated as ‘Like Article’ to the subject goods being imported from the subject exporter.

Domestic Industry

8. The Application has been filed by M/s Greenply Industries Limited/ M/s Greenpanel Industries Limited, Century Plyboards (India) Ltd. and M/s Rushil Décor Limited. Considering the information on record, the Applicants account for a major proportion of the Indian production. The Applicants have claimed that they neither imported the subject goods from the subject exporter nor are related to any importer of the PUC in India. The Authority has, therefore, considered the Applicants as Domestic Industry within the meaning of the Rule 2 (b) and Rule 5 (3) of the Rules.

Basis of dumping

i. Normal Value

9. In case of the subject exporter, the Applicants have claimed normal value on the basis of prices prevailing in the country of subject exporter, based on prices reported in a Market Research Report.

ii Export Price

10. The Authority has computed the export price for subject goods for the subject exporter based on Directorate General Systems transaction-wise import data. Adjustments have been made for ocean freight, marine insurance, commission, inland freight expenses, port expenses and bank charges.
11. The normal value and the export price have been compared at ex-factory level, which prima facie shows significant dumping margin in respect of the PUC imported from the subject exporter. There is sufficient prima facie evidence that the PUC are being dumped into the India by the subject producer/ exporter.

Injury and Causal link

12. Information furnished by the Applicants has been considered for assessment of injury to the domestic industry. The Applicants have 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, and price suppressing effect on the domestic industry. The Applicants have claimed that their performance have been adversely impacted resulting in decline in profits and return on capital employed as a result of increase in imports of PUC at a price below selling price and non-injurious price for the domestic industry. There is sufficient prima facie evidence that the injury exists and is being caused to the domestic industry by dumped imports from subject exporter.

Initiation of Anti-Dumping Investigation

13. On the basis of the duly substantiated written application by or on behalf of the domestic industry, and having satisfied itself, on the basis of the prima facie evidence submitted by the domestic industry, about dumping of the product under consideration originating in or exported from the subject exporter, injury to the domestic industry and causal link between such alleged dumping and injury, and in accordance with Section 9A of the Act read with Rule 5 of the Rules, the Authority, hereby, initiates an investigation to determine the existence, degree and effect of any alleged dumping in respect of the product under consideration imported from the subject producer/ exporter and to recommend the amount of anti-dumping duty, which if levied, would be adequate to remove the injury caused to the domestic industry.

Period of investigation

14. Explanation to Rule 22 of Rules states that:

For the purposes of these rules, the period of investigation shall, - (i) not be more than six months old as on the date of initiation of investigation. (ii) be for a period of twelve months and for the reasons to be recorded in writing the designated authority may consider a minimum of six months or maximum of eighteen months."

15. In view of the above provision in the Rules, the period of investigation (POI) adopted by the Authority for the present investigation is January 2019 to December 2019 (12 months). The injury investigation period will cover the periods April 2016- March 2017, April 2017-March 2018, April 2018-March 2019 and the POI.

Procedure

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

Submission of Information

17. In view of the special circumstances arising out of COVID-19 pandemic, all communication should be sent to the Designated Authority via email at the email addresses adg12-dgtr@gov.in and adv13-dgtr@gov.in
18. The subject exporter is being informed separately to enable them to file all the relevant information in the form and manner prescribed within the time-limit set out below.
19. 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.

20. Any party making any confidential submission before the Authority is required to make a non-confidential version of the same available to other interested parties.

Time Limit

21. In view of the special circumstances arising out of COVID-19 pandemic, any information relating to the present investigation should be sent to the Designated Authority via email at the email addresses adg12-dgtr@gov.in and adv13-dgtr@gov.in within 60 days of the issue of this initiation 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 Rules.
22. 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.

Submission of information on confidential basis

23. Any party making any confidential submission or providing information on confidential basis before the Authority, is required to simultaneously submit a non-confidential version of the same in terms of Rule 7(2) of the Rules and the Trade Notices issued in this regard. Failure to adhere to the above may lead to rejection of the response / submissions.
24. The parties making any submission (including Appendices/Annexures attached thereto), before the Authority including questionnaire response, are required to file Confidential and Non-Confidential versions separately.
25. 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.
26. 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 cannot be disclosed.

27. 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, the 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.

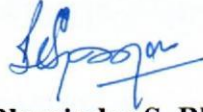
28. The Authority may accept or reject the request for confidentiality on examination of the nature of the information submitted. If the Authority is satisfied the request for confidentiality is not warranted or if the supplier of the information is either unwilling to make the information public or to authorize its disclosure in generalized or summary form, it may disregard such information.
29. Any submission made without a meaningful non-confidential version thereof or without good cause statement on the confidentiality claim shall not be taken on record by the Authority.
30. 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

31. In terms of Rule 6(7) of the Rules, any interested party may inspect the public file containing non-confidential version of the evidence submitted by other interested parties. The modality of maintaining public file in electronic mode is being worked out.

Non-cooperation

32. 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.

 11/05/20
(Bhupinder S. Bhalla)

Additional Secretary & Designated Authority