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**F. No. 07/07/2024 - DGTR**  
**Government of India, Department of Commerce**  
**Ministry of Commerce & Industry**  
**(Directorate (General of Trade Remedies)**  
**4<sup>th</sup> Floor, Jeevan Tara Building,**  
**5, Parliament Street, New Delhi- 110001**

Date: 29.06.2024

**INITIATION NOTIFICATION**

**Case No. CVD (SSR)-01/2024**

**Subject: Initiation of sunset review investigation of countervailing duty concerning imports of "Continuous Cast Copper Wire Rod" originating in or exported from Indonesia, Malaysia, Thailand and Vietnam**

**F.No.07/07/2024-DGTR-** Indian Primary Copper Producers' Association (hereinafter referred to as "IPCPA" OR "applicant") has filed an application before the Designated Authority (hereinafter referred to as the "Authority") under the provisions of 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 Countervailing Duty on Subsidized Articles and for Determination of Injury) Rules, 1995 thereof, as amended from time to time (hereinafter also referred to as the "CVD Rules" or "Rules") for the initiation of a sunset review investigation of countervailing duties concerning imports of "Continuous Cast Copper Wire Rod" (hereinafter referred to as the "subject goods" or "product under consideration" or "PUC") originating in or exported from Indonesia, Malaysia, Thailand and Vietnam (hereinafter referred to as the "subject countries").

2. In terms of Section 9 (6) of the Act and Rule 24 (3) of the CVD Rules, the countervailing duties imposed shall, unless revoked earlier, cease to have effect on expiry of five years from the date of such imposition, and the Authority is required to review whether the expiry of the said countervailing duty is likely to lead to continuation or recurrence of subsidisation and injury to the domestic industry. In accordance with the same, the Authority is required to review, on the basis of a duly substantiated request made by or on behalf of the domestic industry as to whether there is a need for the continued imposition of the countervailing duty, and whether the expiry of the duty is likely to lead to continuation or recurrence of subsidisation and injury.
3. In terms of Article 13 of the Agreement on Subsidies and Countervailing Measures, pre-initiation consultations were held with the officials of the Government of Indonesia and Malaysia on 13<sup>th</sup> June, 2024 and with the Government of Thailand on 14<sup>th</sup> June 2024. The Government of Vietnam has not participated in the pre-initiation consultations. They further informed that in case they have any other comments on the present



investigation, they will send a written submission and fully cooperate with DGTR if the sunset review investigation is initiated. The Government of Indonesia has submitted that the alleged subsidy programs were neither availed nor are applicable to the Indonesian continuous cast copper wire rod producers. The Government of Malaysia has submitted that the scope of the sunset review investigation should adhere to the original investigation and new subsidies should not be considered in the present investigation. The Government of Thailand has alleged that the evidence provided in the application regarding subsidy programs is insufficient and the Authority should reject the request of the applicant to investigate the transnational subsidies in the present investigation. The Authority notes that Article 11.2 of the Agreement on Subsidies and Countervailing Measures provides that "the application shall contain such information as is reasonably available to the applicant". The Authority considers that the existence of all alleged programs, their countervailability and extent of benefit therein are required to be analysed through an investigation as per the relevant rules.

#### **A. Background**

4. The original anti-subsidy investigation concerning imports of the subject goods from the subject countries was initiated by the Authority on 10<sup>th</sup> September 2018. The Authority recommended the imposition of definitive anti-subsidy duties on the imports of the subject goods from the subject countries vide Final Finding F. No. 6/17/2018-DGAD dated 5<sup>th</sup> November 2019. The definitive measures were imposed by the Ministry of Finance vide Customs Notification No. 01/2020-Customs (CVD) dated 8<sup>th</sup> January 2020.
5. The Authority had recommended the imposition of countervailing duties of 2.47% on Metrod Malaysia SdnBhd, a producer and exporter of the product under consideration from Malaysia. However, the producer challenged before CESTAT the countervailability of one of the subsidy programmes considered by the Authority. The CESTAT held that the 'other programme' found countervailable by the Authority was not countervailable which reduced the subsidy margin below the de minimis level. The decision of CESTAT was challenged by the Indian industry before the Hon'ble Supreme Court and the matter is pending.

#### **B. Product under consideration**

6. The product under consideration is the same as defined in the original investigation. The Authority defined the product under consideration, i.e., continuous cast copper wire rod in the final finding of the original investigation as follows:

*"7(a)..... The product under consideration in the present investigation is "Continuous Cast Copper Wire falling under tariff heading 7408 of the Customs Tariff". The product under consideration includes Copper Wire of which the*

*maximum cross-sectional dimension exceeds 6 mm as well 6 mm and below. As per Chapter note (f) to Chapter 74, Wire means "Rolled, extruded or drawn products, in coils, which have a uniform solid cross-section along their whole length in the shape of circles, ovals, rectangles (including squares), equilateral triangles or regular convex polygons (including "flattened circles" and "modified rectangles", of which two opposite sides are convex arcs, the other two sides being straight, of equal length and parallel). Products with a rectangular (including square), triangular or polygonal cross-section may have corners rounded along their whole length. The thickness of such products which have a rectangular (including "modified rectangular") cross-section exceeds one-tenth of the width". The following are excluded from the scope of the PUC:*

- i. Rods made of copper-zinc base alloys (brass) or bronze (and similar alloys);*
- ii. Copper weld wires;*
- iii. Wires made of copper- zinc based alloys (brass) or copper- nickel base alloys (cupro-nickel) or copper-nickel-zinc base alloys (nickel silver) or bronze (and similar alloys);*
- iv. Silver plated copper wires;*
- v. Tinsel wires;*
- vi. Enameled copper wires;*
- vii. Metal coated copper wires;*
- viii. Insulated copper wires cables.*

7. As the present application is for initiation of a sunset review investigation, the scope of the PUC remains as defined in the original investigation.
8. The interested parties may offer their comments/submissions on the PUC/ PCN, if any, within thirty days from the date of date of initiation of this investigation.

### **C. Like article**

9. The applicant has claimed that there is no known significant difference in the product produced by the domestic industry and those exported from the subject countries. The product produced by the domestic industry and imported from the subject countries are comparable in terms of characteristics such as physical and chemical characteristics, manufacturing process and technology, functions and uses, specifications, pricing, distribution and marketing, and tariff classification of the goods. The two are technically and commercially substitutable and are used by consumers interchangeably. The issue of like article has already been examined by the Authority in the original



investigation. Therefore, the product produced by the domestic industry is like article to the product under consideration produced and imported from the subject countries.

#### **D. Domestic industry and standing**

10. The application has been filed by the Indian Primary Copper Producers' Association. There are four producers of the subject goods in India, namely, Hindalco Industries Limited, Vedanta (Sterlite Copper) Limited, Kutch Copper Limited (Adani Metals) and Hindustan Copper Limited. Hindalco Industries Limited and Vedanta (Sterlite Copper) Limited have provided the relevant data. Kutch Copper Limited (Adani Metals) has supported the application. The production of participating companies constitutes a major proportion in the total domestic production in terms of Rule 2(b) of the CVD Rules, 1995.

#### **E. Subsidy programs**

11. The applicant has alleged that the producers/ exporters of the subject goods in the subject countries continue to be benefitted from actionable subsidies provided at various levels by the Governments of the subject countries, including the provinces and districts in which producers/exporters are located. The applicant has also claimed that there are additional programs or schemes that should be considered in the present investigation.

#### **I. Schemes previously countervailed in the original investigation**

##### **A. Indonesia**

##### **a. Programmes in the form of export financing and export credit**

- i. Programme no. 2: Export financing from Indonesia EXIM Bank
- ii. Program no. 3: Reimbursement to exporters for losses

##### **b. Programs in the form of preferential loans and lending**

- iii. Programme no. 5: Loans by Mandiri Bank
- iv. Programme no. 5(a): Investment loan
- v. Programme no. 5(b): Loans to entrepreneurs

##### **c. Programs in the form of tax incentives and VAT exemptions**

- vi. Programme no. 7: Exemption on import duty
- vii. Programme no. 8: import duty drawback

##### **d. Programme no. 10: reduction of net taxable income**

- viii. Programme no. 11: carrying forward of losses
- ix. Programme no. 12: Postponement of payment of import duty on capital goods

- x. Programme no. 13: exemption of duty on raw material and supporting goods for production
- xi. Programme no. 14: exemption from income tax on import of certain goods for companies located in SEZs
- xii. Programme no. 15: reduction in income tax for investors investing in SEZs
- xiii. Programme no. 17: Pioneer Industry Status
- xiv. Programme no. 18: income tax benefits for listed investments
- xv. Programme no. 19: tax holiday

e. **Programs in the form of provision of goods and services for less than adequate remuneration (LTAR)**

- xvi. Programme no. 21: export restraints and other related measures on copper ore and concentrate
- xvii. Programme no. 22: VAT exemption on electricity

**B. Malaysia**

a. **Programmes in the form of grants**

- i. Programme no. 1: market development grant
- ii. Programme no. 3: Techno Fund
- iii. Programme no. 4: Inno Fund
- iv. Programme no. 6: export excellence award

b. **Programs in the form of export financing and export credit**

- v. Programme no. 7: export credit refinancing
- vi. Programme no. 8: buyer credit guarantee

c. **Programs in the form of tax incentives and VAT exemptions**

- vii. Programme no. 9: pioneer status
- viii. Programme no. 10: investment tax practices
- ix. Programme no. 11: reinvestment allowance
- x. Programme no. 12: accelerated capital allowance
- xi. Programme no. 13: group relief
- xii. Programme no. 14: tariff-related incentives
- xiii. Programme no. 15: industry-building allowance
- xiv. Programme no. 17: double deduction from taxable profit for promotion of Malaysian brand
- xv. Programme no. 18: incentives for manufacturing and manufacturing-related services in East Coast Economic Corridor
- xvi. Programme no. 19: drawback on import duty, sales tax and excise duty
- xvii. Programme no. 21: exemption from import duty and sales tax for outsourcing manufacturing activities
- xviii. Programme no. 23: Exemption from import duty and sales tax on machinery and equipment
- xix. Programme no. 24: exemption from import duty on raw materials/components
- xx. Programme no. 25: double deduction from taxable profits for promotion of exports



- xxi. Programme no. 27: incentives for small and medium enterprises
- xxii. Programme no. 28: allowance for increased export
- xxiii. Programme no. 30: Commercialisation of Research and Development Funds (CRDF)
- xxiv. Programme no. 31: tax incentives for in-house R&D
- xxv. Programme no. 32: double deduction for research and development

**d. Programs in the form of preferential loans and lending**

- xxvi. Programme no. 34: soft loans to small and medium enterprises
- xxvii. Programme no. 35: international procurement centre

**C. Thailand**

**a. Programs in the form of tax incentives and VAT exemptions**

- i. Programme no. 2: exemption/reduction of import duties on machinery
- ii. Programme no. 3: income tax exemption
- iii. Programme no. 4: exemptions with regard to the investment protection zone
- iv. Programme no. 5: exemption of import duty on raw material imported for use in production for export
- v. Programme no. 6: reduction of import duty for raw or essential materials.
- vi. Programme no. 7: exemption of corporate income tax for BOI-promoted activities
- vii. Programme no. 8: 50% reduction of corporate income tax in investment protection zones
- viii. Programme no. 9: income tax double deduction of the costs of transportation, electricity and water supply in promoted zones
- ix. Programme no. 10: income tax double deduction of the cost of installation or construction of facilities
- x. Programme no. 11: tax and duty compensation/tax coupons
- xi. Programme no. 12: exemption of import/export duty for bonded warehouses
- xii. Programme no. 13: incentives for activities in infrastructure for the country's development, activities using advanced technology to create value added with no or very few existing investments in Thailand
- xiii. Programme no. 14: incentives for high technology activities which are important to the country's development with a few investments already existing in Thailand
- xiv. Programme no. 15: merit-based incentive for increase in competitive enhancement
- xv. Programme no. 17: promotional privileges
- xvi. Programme no. 18: duty drawback

**b. Programs under Free Trade Zones schemes**

- xvii. Programme no. 19: Free Trade Zone under Chapter X of Customs Act
- xviii. Programme no. 20: export processing zone under the Industrial Estate Authority Law

**D. Vietnam**

**a. Programs in the form of tax incentives and VAT exemptions**

- i. Programme no. 1: income tax preferences under Chapter V of Decree 24
- ii. Programme no. 2: import duty exemption or reimbursement for raw material

iii. Programme no. 3: exemption on corporate income tax for enterprises

**b. Programs in the form of export finance and export credit**

iv. Programme no. 5: preferential lending to exporters

v. Programme no. 6: export promotion programme

vi. Programme no. 7: export credits from Vietnam Development Bank

vii. Programme no. 8: export supply credits

**c. Programs in the form of export finance and export credit**

viii. Programme no. 5: preferential lending to exporters

ix. Programme no. 6: export promotion programme

x. Programme no. 7: export credits from Vietnam Development Bank

xi. Programme no. 8: export supply credits

**d. Programs in the form of investment incentives**

xii. Programme no. 9: preferential lending for investors

xiii. Programme no. 10: interest rate on investment credit loans

xiv. Programme no. 11: investment support to foreign investors investing in established small and medium enterprises

xv. Programme no. 13: financial guarantees by Vietin Bank

**e. Programs in the form of provision of goods and services for less than adequate remuneration (LTAR)**

xvi. Programme no. 14: land preferences for enterprises in encouraged industries or industrial zones under Decree 142

xvii. Programme no. 15: government provision of land for less than adequate remuneration and exemptions or reduction from land and water rents

**II. New Subsidy Programs**

**A. Indonesia**

i. Programs in the form of tax incentives and VAT exemptions

ii. Programme no. 22: Super-normal deductions on research and development expenditure

**B. Malaysia**

i. Programs in the form of provision of goods and services for LTAR

ii. Programme no. 37: procurement from Indonesia of copper cathode for less than adequate remuneration

iii. Programme no. 38: provision of natural gas for less than adequate remuneration

iv. Programme no. 39: provision of electricity at LTAR

v. Programme no. 40: Green Investment Tax Allowance

**C. Thailand**



- i. Programs in the form of provision of goods and services for LTAR
- ii. Programme no. 21: Provision of electricity for LTAR

#### **D. Vietnam**

- i. Programs in the form of provision of goods and services for LTAR
- ii. Programme no. 16: procurement from Indonesia of copper cathode for less than adequate remuneration

12. The Designated Authority may investigate other subsidies, which may be found to exist and availed by the producers/ exporters of the subject goods in the subject countries, during the course of the investigation.

#### **F. Likelihood of continuation/recurrence of subsidy and injury**

13. There is *prima facie* evidence of likelihood of continuation/recurrence of subsidization and consequent injury to the domestic industry in the event of cessation of anti-subsidy duty, considering third country exports at prices lower than the domestic prices in India, capacity additions in the subject countries, export orientation and likely adverse impact of cessation of anti-subsidy duty on the performance of the domestic industry.

#### **G. Initiation of sunset review investigation**

14. On the basis of the duly substantiated application by or on behalf of the domestic industry, and having satisfied itself, on the basis of the *prima facie* evidence submitted by the applicant, substantiating likelihood of continuation or recurrence of subsidization and injury to the domestic industry the Authority hereby initiates a sunset review investigation to review the need for continued imposition of countervailing duty on imports of the subject goods from the subject countries and to examine whether the expiry of the existing countervailing duty is likely to lead to continuation or recurrence of subsidy and consequent injury to the domestic industry, in accordance with Section 9 of the Act, read with Rule 24 of the CVD Rules.

#### **H. Subject countries**

15. The subject countries in the present investigation are Indonesia, Thailand, Malaysia and Vietnam.

#### **I. Period of investigation (POI)**

16. The period of investigation (POI) for the present investigation is from 1<sup>st</sup> Jan 2023 – 31<sup>st</sup> Dec 2023 (12 months). The injury period for the investigation will include 2020–21, 2021-22, 2022-2023 and the period of investigation.

#### **J. Procedure**



17. The sunset review investigation will cover all aspects of the final findings published vide F. No. 6/17/2018-DGAD dated 5<sup>th</sup> November 2019. The Authority will also undertake likelihood analysis of continuation/recurrence of subsidization and injury in the event of expiry of anti-subsidy duty in force.
18. The provisions of Rules 7, 8, 9, 10, 11, 12, 13, 18, 19, 20, 21 and 22 of the CVD Rules, 1995 shall be *mutatis mutandis* applicable in this present review investigation.

#### **K. Submission of information**

19. All communication should be sent to the Designated Authority via email at email addresses [adv11-dgtr@gov.in](mailto:adv11-dgtr@gov.in), [adv12-dgtr@gov.in](mailto:adv12-dgtr@gov.in), [dd17-dgtr@gov.in](mailto:dd17-dgtr@gov.in) and [dd19-dgtr@gov.in](mailto:dd19-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 from the subject countries their government through their embassy in India, the importers and users in India known to be concerned with the subject goods and the domestic producers are 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.
21. Any other interested party may also make its submissions relevant to the investigation in the form and manner prescribed within the time-limit set out below on the email addresses mentioned hereinabove.
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 advised to keep a regular watch on the official website of the Authority <http://www.dgtr.gov.in> for any updated information with respect to this investigation.

#### **L. Time limit**

24. Any information relating to the present investigation should be sent to the Authority via email at the email addresses [adv11-dgtr@gov.in](mailto:adv11-dgtr@gov.in), [adv12-dgtr@gov.in](mailto:adv12-dgtr@gov.in), [dd17-dgtr@gov.in](mailto:dd17-dgtr@gov.in) and [dd19-dgtr@gov.in](mailto:dd19-dgtr@gov.in). within thirty days (30 days) from the date of receipt of the notice as per Rule 7(4) of the CVD Rules. It may, however, be noted that in terms of explanation of the said Rule, the notice calling for information and other documents shall be deemed to have been received within one week from the date on which it was sent by the Designated Authority or transmitted to the appropriate diplomatic representative of the exporting country. If no information is received within the prescribed time limit or the information received is incomplete, the Authority may record its finding on the basis of the facts available on records 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 investigation and file their questionnaire response/submissions within the above time limit.



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

26. Where any party to the present investigation makes confidential submissions or provides information on a confidential basis before the Authority, it is required to simultaneously submit a non-confidential version of such information in terms of Rule 8(2) of the CVD Rules, 1995 and in accordance with the relevant trade notices issued by the Authority in this regard.
27. 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.
28. 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.
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 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.
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 8 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 any interested party within 7 days from the date of circulation of the non-confidential version of the documents in terms of paragraph 25 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 8 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 satisfied the request for confidentiality is not warranted or if the supplier of the information is either unwilling

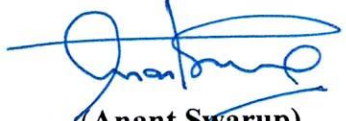


to make the information public or to authorize its disclosure in generalized or in summary form, it may disregard such information.

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 authorization 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/response/information to all other interested parties. Failure to circulate non-confidential version of submissions/response/information might lead to consideration of an interested party as non-cooperative.

**N. Non-cooperation**

37. In case any interested party refuses access to or 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 deemed fit.

  
(Anant Swarup)  
Designated Authority