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**F. No. 6/7/2020-DGTR  
Government of India  
Department of Commerce  
Ministry of Commerce & Industry  
(Directorate General of Trade Remedies)  
Jeevan Tara Building, 5, Parliament Street, New Delhi – 110001**

Dated 20<sup>th</sup> April, 2020

**INITIATION NOTIFICATION**

**Case No. ADD-OI- 06/2020**

**Subject: Initiation of Anti-Dumping investigation concerning imports of “Copper & Copper Alloy Flat Rolled Products” originating in and exported from China PR, Korea RP, Malaysia, Nepal, Sri Lanka, and Thailand.**

1. M/s Agrawal Metal Works Private Limited (hereinafter also referred to as the “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 Anti-dumping investigation on imports of “Copper and Copper Alloy Flat Products” (hereinafter also referred to as “subject goods” or “product under consideration” or “PUC”) from China PR, Korea RP, Malaysia, Nepal Sri Lanka and Thailand (hereinafter also referred to as “subject countries”).
2. The Applicant has alleged dumping of the subject goods, originating in or exported from the subject countries and consequent injury to the domestic industry, and has requested for imposition of the anti-dumping duties on the import of the subject goods originating in or exported from the subject countries.

**Product under Consideration**

3. The product under consideration is flat rolled products of copper, such as copper sheets, copper plates, copper strips, copper foils and other flattened forms of copper or its alloys. It may be in sheet form or coil form. The product under consideration includes refined copper or copper alloys with Zinc and tin i.e., Copper-Zinc base alloys (Brass) and Copper-Tin base alloys (Phosphor Bronze). All other copper alloys are beyond the scope of PUC.

4. Copper flat rolled products are used in power distribution, electrical & electronic switchgears & devices, Automobile Terminal Connector and Automotive Electronics, Sanitary Fittings, Radiators and Heat Exchangers and Key and Locks, Buttons, Zippers etc.
5. The subject products are classified under Chapter Heading 74 of the Act. While the prescribed classification of the product is 74091100, 74091900, 74092100, 74092900, 74093100, 74093900, 74094000, 74099000, the product under consideration has also been imported under 74101100, 74101200. The customs classifications are indicative only and are not binding on the scope of the present investigations.

**Like Article**

6. The Applicant has claimed that the subject goods, which are being dumped into India, are identical to the goods produced by the domestic industry. There is no known difference either in the technical specification, quality, functions or end-user of the dumped imports and the domestically produced subject goods manufactured by the Applicant. The Authority notes that the two are prima facie technically and commercially substitutable and, hence, should be treated as 'like article' under the Rules.

**Product Control Number (PCN)**

7. The Applicant has proposed following PCN methodology for the purpose of the investigation, considering difference in the cost of production of the different product types.

1	Condition	Brass = 1 Copper = 2 Phosphor Bronze = 3
2	Form	Foil = 1 Sheet/Plate = 2 Strip = 3
3	Grade	CuZn30-33, CuZn35-37, CuZn10, CuZn40, CuZn5, CuZn15, CuZn20, Copper, CuSn4, CuSn5, CuSn6, CuSn8

For instance, brass foil of CuZn30-33 can be described as 11CuZn30-33 and copper strip of CuSn8 can be described as 23CuSn8.

8. The interested parties may make their submissions with regard to appropriateness or otherwise of the proposed PCN system as per the timeline mentioned in Para 26 of this notification.

### **Domestic Industry**

9. The Application has been filed by Agrawal Metal Works Private Limited, one of the major domestic producers of the like articles. The Application has been supported by all known domestic producers in the organized sector. The Applicant has claimed that it has neither imported the subject goods from the subject countries nor is related to any exporter or producer of subject goods in the subject countries or any importer of PUC in India.
10. In view of information on record, the Authority notes that the Applicant accounts for a major proportion of the Indian production and the application has been made by or on behalf of the domestic industry in terms of the provisions contained in Rule 2 (b) and Rule 5 (3) of the Rules.

### **Basis of alleged dumping**

#### **Normal Value for China**

11. The Applicant has claimed that China PR should be treated as a non-market economy, and the normal value should be determined in terms of Annexure I, Rule 7 of the Rules. The Applicant has cited and relied upon Article 15(a)(i) of China's Accession Protocol and has stated that in terms of provisions contained therein the Chinese producers should be directed to show that market economy conditions prevail in the industry producing the subject goods. The Applicant has claimed that Chinese domestic costs and prices cannot be accepted unless the Chinese exporters pass the tests of market economy. The Applicants have stated that for China, normal value should be determined in accordance with para-7 and 8 of Annexure I of the Rules. In view of the above non-market economy presumption and subject to rebuttal of the same by the responding exporters from China, normal value of the Subject Goods in China PR has been estimated in terms of Para 7 of Annexure I of the Rules.
12. The Applicant has not suggested any appropriate market economy third country for determining normal value and hence that option for determination of normal value has not been explored. Accordingly, the normal value has been determined on the basis of price payable in India.
13. The major raw material consumed for the production of the subject goods is Copper. The price of copper as maintained by London Metal Exchange (LME). Therefore, Normal Value in China has been determined on the basis of the LME prices of Copper during the POI, with adjustments that have been made on account of the processing cost, SGA cost, financial cost and other income(s).

#### **Normal Value for Korea, Malaysia, Nepal, Sri Lanka and Thailand**

14. The Applicant has claimed that there is no publicly available information on the price of the PUC in Korea, Malaysia, Nepal, Sri Lanka and Thailand. It has also not suggested any appropriate third country for taking export price of subject goods from Korea, Malaysia, Nepal, Sri Lanka and Thailand to such a country, for construction of normal value. The major raw material consumed is copper for the production of the subject goods, and the price of copper is maintained by London Metal Exchange (LME). Therefore, the normal value has accordingly

been constructed on the basis of the LME prices of Copper during the POI, with adjustments made on account of the processing cost, SGA cost, financial cost and other income(s). The consumption norms of the domestic producers have been adopted.

### **Export Price**

15. The export price has been determined for each of the subject countries based on DGCI&S transaction-wise data. Price adjustments have been made on account of ocean freight, marine insurance, commission, inland freight expenses, port expenses, bank charges, and VAT (only for China). The export price has been determined at ex-factory levels.

### **Dumping Margin**

16. The normal value and the export price have been compared at ex-factory level, which prima facie shows dumping margin above the *de-minimis* in respect of the PUC from the subject countries. There is prima facie evidence that the PUC from subject countries is being dumped into the Indian market by the exporters from the subject countries.

### **Injury and Causal Link**

17. Information furnished by the Applicant has been considered for assessment of injury to the domestic industry. The Applicant has furnished evidence regarding the injury having taken place as a result of the alleged dumping in the form of increased volume of dumped imports in absolute terms and also in relation to production and consumption in India, price undercutting and deterioration in performance of the domestic industry in respect of profitability, cash profits and return on capital employed. There is prima facie evidence that the dumped imports from subject countries are causing injury to the domestic industry.

### **Initiation of Anti-dumping Investigation**

18. 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 countries, 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 originating in or exported from the subject countries and to recommend the amount of anti-dumping duty, which if levied, would be adequate to remove the injury to the domestic industry.

### **Subject Countries**

19. The subject countries for the present investigation are China PR, Korea RP, Malaysia, Nepal, Sri Lanka and Thailand.

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

20. The period of Investigation (hereinafter also referred to as "POI") is from 1<sup>st</sup> January 2019 to 31<sup>st</sup> December 2019 (12 months). The injury investigation period will cover the periods 1<sup>st</sup> April 2016-31<sup>st</sup> March 2017, 1<sup>st</sup> April 2017- 31<sup>st</sup> March 2018, 1<sup>st</sup> April 2018- 31<sup>st</sup> March 2019 and the POI.

### **Procedure**

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

### **Submission of information**

22. The known exporters in 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 industry 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.

23. 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.

24. The information/ submission may be submitted to:

**The Designated Authority  
Directorate General of Trade Remedies  
Ministry of Commerce & Industry  
Department of Commerce  
4th Floor, Jeevan Tara Building, 5 Parliament Street  
New Delhi -110001**

25. 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**

26. In view of the special circumstances arising from COVID-19 pandemic, any information relating to the present investigation should be sent in writing so as to reach the Authority at the address mentioned above within sixty days from the date of issue 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 Anti-Dumping Rules.

27. All 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**

28. 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.

29. The parties making any submission (including Appendices/Annexures 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:

- i. one set marked as Confidential (with title, number of pages, index, etc.), and
- ii. the other set marked as Non-Confidential (with title, number of pages, index, etc.).

30. 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 four (4) sets of each.

31. 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.

32. 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.

33. 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.


34. 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.
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.

**Inspection of Public File**

36. In terms of rule 6(7) any interested party may inspect the public file containing non-confidential versions of the evidence submitted by other interested parties.

**Non-Corporation**

37. 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.

 20/04/20

**(Bhupinder S. Bhalla)**

**Additional Secretary & Designated Authority**