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**F. No. 6/13/2022-DGTR**

**Government of India**

**Ministry of Commerce & Industry**

**(Directorate General of Trade Remedies)**

**4th Floor, Jeevan Tara Building, 5, Parliament Street, New Delhi - 110001**

Dated: 29<sup>th</sup> December, 2022

**INITIATION NOTIFICATION**

**Case No. AD (OI) – 13/2022**

**Subject: Initiation of anti-dumping investigation concerning imports of “Self-Adhesive Vinyl (SAV)” originating in or exported from China PR.**

1. Pioneer Polyleathers Private Limited (hereinafter referred to as the ‘applicant’) has filed an application before the Designated Authority (hereinafter 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 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 referred as the ‘Rules’), for initiation of an anti-dumping investigation concerning imports of “Self- Adhesive Vinyl (SAV)” (hereinafter referred to as the ‘subject goods’ or the ‘product under consideration’) originating in or exported from China PR (hereinafter referred to as the ‘subject country’).
2. The applicant has alleged that the subject goods are being imported into India, originating in or exported from the subject country at dumped prices in significant quantities for a prolonged period and are also causing material injury to it and has requested for the imposition of anti-dumping duty on the import of the subject goods from the subject country.

## A. PRODUCT UNDER CONSIDERATION

3. The product under consideration is "Self-Adhesive Vinyl (SAV)" originating in or exported from China PR. Self-Adhesive Vinyl is popularly known in the market as "self-adhesive polyvinyl chloride film", "adhesive vinyl", "vinyl", "vinyl film", "self-adhesive PVC film" "One Way Vision Vinyl" or "cold lamination film". The product is an adhesive backed vinyl that allows its application on various surfaces. Further the applicant claims that the product under consideration covers all types of SAV.
4. Self-adhesive vinyl is a flexible and versatile material, which is ideal for mounting on walls or rigid surfaces. It has three distinct layers or materials i.e., (i) Polyvinyl chloride (PVC) film; (ii) an adhesive layer; and (iii) release liner. The polyvinyl chloride (PVC) can be monomeric, polymeric and cast and its thickness may vary depending upon usage. This layer ultimately gets transferred to the intended surface as a lamination or an advertisement material etc. Adhesive layer is placed between the film and the release liner and ultimately gets transferred to the film to give it the self-adhesive property. Release liner could be a paper or a PET film or any other material which gets released and discarded.
5. SAV is produced by bringing together a desired PVC film, release liner with a suitable adhesive in between the two, rolled and cured in an appropriate heat treatment line. The SAV is produced in jumbo rolls and then cut into desired length or width. The surface finish and other properties of the vinyl sheets depend on the types of films and liners used and the types of rollers used while rolling the films.
6. The alleged dumped goods are classified under heading 3919 of Schedule I to the Customs Tariff Act, 1975. The petitioner submits that, it does not have a dedicated tariff code, and is generally classifiable under 3919 90 90. The petitioner claims that the product under consideration is also being imported under following customs classifications: 3919 90 90, 3919 10 00, 3919 90 10, 3919 90 20, 3920 99 19, 3920 99 59, 3920 99 99, 3920 69 29, 3921 90 99, 3926 90 99. The customs classification is indicative only and is not binding on the scope of the product under consideration in the present petition

7. The applicant has proposed the adoption of the Product Control Numbers (PCNs) methodology for a fair comparison between normal value and export price. For this purpose, the applicant proposes a PCN methodology as follows:

SL No	Parameter	Values	Code
1	Manufacturing process of SAV	Adhesive Lamination	n
2	Type of Film Used	1. Calendered PVC Film a. Monomeric b. Polymeric 2. Cast PVC Film 3. Perforated PVC Film for One Way Vision Vinyl	M P C O
3	Type of Release Liner used	1. Paper 2. Polymer Film	1 2
4	Type of Glue/Adhesive used	1. Self-Adhesive Permanent 2. Self-Adhesive Repositionable 3. Other	1 2 3
5	Colours	1. White (Various shades/tones) 2. Transparent/Translucent 3. Coloured /Printed	1 2 3

*Note. Though the thickness of film and thickness of the release liners are two variables when compared in square meters, since for the purpose of this investigation the unit adopted is in weight term i.e., in KGs, thickness of film, thickness of release liner and length of roll has no relevance and hence not included as parameters in the PCN.*

8. The interested parties, however, can provide their comments/suggestions on the proposed PUC/PCNs for the purpose of this investigation within 30 days from the date of initiation of this investigation.

## **B. LIKE ARTICLE**

9. The applicant has claimed that the subject goods, which have been alleged to be dumped in India, are identical to the goods produced by the domestic industry. There are no known differences in the subject goods produced by the Indian industry and the product under consideration produced and exported from the subject country. The two products are comparable in terms of essential product characteristics such as physical and chemical characteristics, manufacturing process and technology, functions and uses, product specifications, pricing, distribution and marketing and tariff classification of the goods. Consumers can use and are using the two interchangeably. The Authority notes the view points of the applicant. Hence, for the purpose of the present investigation, the subject goods produced by the applicant are being treated by the Authority as 'like article' to the subject goods being imported from the subject country.

## **C. SUBJECT COUNTRY**

10. The application has been filed in respect of the dumped imports of the product under consideration from China PR.

## **D. DOMESTIC INDUSTRY AND STANDING**

11. The petition has been filed by Pioneer Polyleathers Private Limited. The applicant has claimed that it is the sole producer of the subject goods in India. As per the information available on record, the applicant constitutes 100% of the Indian production. The applicant has certified that it has neither imported the PUC nor is related to any producer/exporter of the product under consideration in China PR or any importer of the subject goods in India. In view of the above and after examination, the Authority notes that the applicant constitutes eligible domestic industry in terms of Rule 2 (b), and the application satisfies the criteria of standing in terms of Rule 5(3) of the Rules supra.

## **E. BASIS OF ALLEGED DUMPING**

### **i. Normal Value**

12. The applicant has cited and relied upon Article 15(a) (i) of China's Accession Protocol. The applicant has claimed that producers in China PR must be asked to demonstrate

that market economy conditions prevail in the industry producing the subject goods with regard to the manufacture, production and sale of the product under consideration. It has been stated by the applicant that in case the responding Chinese producers are not able to demonstrate that their costs and price information are market driven, the normal value should be calculated in terms of provisions of Para 7 and 8 of Annexure I to the Rules.

13. The Authority has, for the purpose of this initiation, considered the normal value for China PR based on cost of production of the domestic industry and after addition for selling, general & administrative expenses and reasonable profits.

ii. **Export price**

14. The export price for the subject goods from the subject country is calculated by the petitioner based on the data published by DGCI&S and a secondary source. Price adjustments have been made for ocean freight, marine insurance, commission, inland freight expenses, port expenses and bank charges. There is *prima facie* evidence with regard to the net export prices claimed by the applicant.

iii. **Dumping margin**

15. The normal value and the export price have been compared at the ex-factory level, which *prima facie* shows that the dumping margin is above the *de-minimis* level and is significant in respect of the product under consideration from the subject country. Thus, there is sufficient *prima facie* evidence that the product under consideration from the subject country is being dumped in the Indian market by the exporters from the subject country.

**F. INJURY AND CAUSAL LINK**

16. Information furnished by the applicant has been considered for assessment of injury to the domestic industry. The applicant has furnished evidence regarding the injury taken place as a result of the alleged dumping in the form of an increased volume of dumped imports in absolute terms and in relation to production or consumption in India, price undercutting and price suppressing and depressing effect on the domestic industry. The applicant has claimed that its performance has been adversely impacted in respect of

sales, profitability, return on the investment, and capacity utilization as a result of increase in imports of the product under consideration at an injurious price for the domestic industry. There is *prima facie* evidence that the injury is being caused to the domestic industry by dumped imports from the subject country.

#### **G. INITIATION OF ANTI-DUMPING INVESTIGATION**

17. On the basis of the duly substantiated written application by the domestic industry, and having satisfied itself, on the basis of *prima facie* evidence submitted by the domestic industry, about dumping of the product under consideration originating in or exported from the subject country, 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 country and to recommend the amount of anti-dumping duty, which if levied, would be adequate to remove the injury to the domestic industry.

#### **H. PERIOD OF INVESTIGATION**

18. The Authority has considered 1 July 2021 to 30 June 2022 (12 Months) as the period of investigation ("POI"). The period of injury covers the periods from 1 April 2018 to 31 March 2019, 1 April 2019 to 31 March 2020, 1 April 2020 to 31 March 2021, 1 April 2021 to 30 June 2021 and the POI.

#### **I. PROCEDURE**

19. The principles as stated under Rule 6 of the AD Rules, 1995 shall be followed in the present investigation.

#### **J. SUBMISSION OF INFORMATION**

20. All communication should be sent to the Designated Authority via email at email addresses [adg16-dgtr@gov.in](mailto:adg16-dgtr@gov.in), [adv13-dgtr@gov.in](mailto:adv13-dgtr@gov.in), [jd16-dgtr@gov.in](mailto:jd16-dgtr@gov.in) and [dd15-dgtr@gov.in](mailto:dd15-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.

21. The known producers/exporters in the subject country, the Government of the subject country through its Embassy in India, 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 notification. All such information must be filed in the form and manner as prescribed in this Initiation Notification, the AD Rules, 1995 and the applicable trade notices issued by the Authority.
22. 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 AD Rules, 1995 and the applicable trade notices issued by the Authority within time limit mentioned in this initiation notification.
23. 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.
24. Interested parties are further advised to keep a regular watch on the official website of the Designated Authority <http://www.dgtr.gov.in/> for any updated information with respect to this investigation.

**K. TIME LIMIT**

25. Any information relating to the present investigation should be sent to the Designated Authority via email at email addresses [adg16-dgtr@gov.in](mailto:adg16-dgtr@gov.in), [adv13-dgtr@gov.in](mailto:adv13-dgtr@gov.in), [jd16-dgtr@gov.in](mailto:jd16-dgtr@gov.in) and [dd15-dgtr@gov.in](mailto:dd15-dgtr@gov.in) within 30 days from the date on which it was sent by the Designated Authority or transmitted to the appropriate diplomatic representative of the exporting country as per Rule 6(4) of the AD Rules. If no information is received within the stipulated time limit or the information received is incomplete, the Authority may record its findings on the basis of the facts available on record and in accordance with the AD Rules, 1995.
26. 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.

27. 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.

**L. SUBMISSION OF INFORMATION ON CONFIDENTIAL BASIS**

28. 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 7(2) of the AD Rules and in accordance with the relevant trade notices issued by the Authority in this regard.
29. Such submissions must be clearly marked as “confidential” or “non-confidential” at the top of each page. Any submission which 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.
30. The non-confidential version of the information filed by the interested parties should essentially 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 a summary, and a statement of reasons containing a sufficient and adequate explanation in terms of Rule 7 of the AD 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. The other interested parties can offer their comments on the confidentially claimed within 7 days of receiving the non-confidential version of the document.
32. Any submission made without a meaningful non-confidential version thereof or without a sufficient and adequate good cause statement in terms of Rule 7 of the AD Rules,

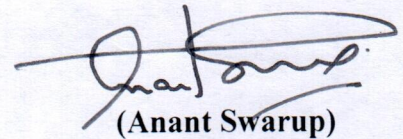
1995 and appropriate trade notices issued by the Authority, on the confidentiality claim shall not be taken on record by the Authority.

**M. INSPECTION OF PUBLIC FILE**

33. 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.

**N. NON-COOPERATION**

34. In case where an interested party refuses access to and otherwise does not provide necessary information within a reasonable period or within the time stipulated by the Authority, or significantly impedes the investigation, the Authority may declare such interested party as non-cooperative and record its findings on the basis of the facts available to it and make such recommendations to the Central Government as deemed fit.



(Anant Swarup)

**Designated Authority**