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**No. 6/7/2019-DGTR
Government of India
Department of Commerce
Ministry of Commerce & Industry
(Directorate General of Trade Remedies)
Jeevan Tara Building, 4th Floor, Parliament Street, New Delhi-110001**

Dated 16th May, 2019

**Initiation Notification
(OI Case No. 06/2019)**

Subject: Initiation of anti-dumping investigation concerning imports of Digital Offset Printing Plates originating in or exported from China PR, Japan, Korea RP, Taiwan and Vietnam

F.No.6/7/2019-DGTR: M/s Technova Imaging Systems (P) Ltd. (hereinafter also referred to as the 'Petitioner' or 'Applicant') has filed an application 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 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 referred to as the 'Rules') for imposition of anti-dumping duty on imports of Digital Offset Printing Plates (hereinafter referred to as the 'subject goods' or Product Under Consideration 'PUC') from China PR, Japan, Korea RP, Taiwan and Vietnam, hereinafter referred to as subject countries.

Product under consideration (PUC)

2. The product under consideration in the present application is "Digital Offset Printing Plates", also commonly referred to as "Digital Plates". Digital Plates are used in the printing industry for transferring data as an image (dot patterns or text) onto paper or on non-absorbent substrates like tin sheets or poly films, etc. In the printing process using Digital Offset Printing Plates, the digital workflow enables direct transfer of the image from a 'computer to the plate' (CtP) using lasers, unlike the analog workflow that requires an intermediary film to transfer the image.

3. Digital Plates are made from high-purity litho-grade aluminium coils coated with a chemical coating. Digital Plates may be either positive (non-exposed area forms image) or negative (exposed area forms image) working plates. The performance of Digital Plates may also be improved with lesser use of chemicals in the plate development process making it environment-friendly, also known as Digital Offset "chem-free"/ "green plates". Similarly, the performance of Digital Plates may also be improved to make it processless plates.

4. The coating components, also known as 'sensitizers', vary for different types of plates. Based on the coating components and laser type of platesetters, the Digital Plates may be

broadly classified into three categories namely Thermal, Violet and CtCP/UV CtP ('Computer-to-Conventional Plate').

- i. Digital Offset Printing Plates that are exposed using infra-red energy are called Thermal plates;
- ii. Digital Offset Printing Plates that are exposed using visible and near-visible light energy (violet lasers) are called Violet plates; and
- iii. Digital Offset Printing Plates that are exposed using ultra-violet rays are known as CtCP/UV CtP plates.

5. All types of Digital Plates in all dimensions are covered within the scope of the product under consideration. The subject goods fall under Tariff Sub-heading '8442.50' of the Act. However, there have been imports of the subject goods under other headings such as 3701.3000, 3704.0090, 3705.1000, 7606.1190, 7606.9190 and 7606.9290 as well. Customs classifications are therefore indicative only and the product description would prevail for identifying the product.

Like Article

6. The Petitioner has submitted that the subject goods produced by them and the subject goods imported from the subject countries are like articles. There is no known difference between the subject goods exported from the subject countries and that produced by the Petitioner. Digital Plates produced by the Petitioner and imported from the subject countries 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. Consumers can use and are using the two interchangeably. 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 Petitioner are being treated as 'Like Article' to the subject goods being imported from the subject countries.

Domestic industry and Standing

7. The application has been filed by M/s Technova Imaging Systems (P) Ltd., as domestic industry of the PUC. The Petitioner has certified that the imports made by them during the POI were in small quantities as compared to their production of the product under consideration. Since the production of the Petitioner accounts for a major proportion in the total production of the PUC in India, the Petitioner satisfies the standing and constitutes domestic industry within the meaning of the Rules.

Countries Involved

8. The present investigation is in respect of alleged dumping of the PUC from China PR, Japan, Korea RP, Taiwan and Vietnam.

Normal Value

China PR

9. The applicant has claimed that China PR should be treated as a non-market economy and has determined normal value in accordance with Paras 7 and 8 of Annexure I of the Rules. The Petitioner has claimed that normal value should be constructed for China PR based on a comparison of London Metal Exchange prices and Shanghai Future Exchange prices of aluminium; market distortion studies regarding China PR by the European Commission; and treatment of China PR as a non-market economy in anti-dumping investigations conducted by the Indian DGTR and the US Department of Commerce.

10. Accordingly, the Petitioner has proposed that normal value for China PR be based on prevailing prices of the like article in a surrogate market economy country, i.e. the European Union (hereinafter referred to as “the EU”). The Petitioner has proposed the EU as a surrogate country based on the comparable market size and prices in the EU that are reflective of market economy principles. The Petitioner obtained invoices from one of the leading producers in the EU market for the PUC and has supplied the same with the application. The Petitioner has also proposed that normal value for China PR could be determined based on the cost of production in India.

Japan, Korea RP, Taiwan and Vietnam

11. The Petitioner has constructed normal values for Japan, Korea RP, Taiwan and Vietnam based on the following:

- i. Raw materials: based on the cost incurred by the Petitioner;
- ii. Labour cost: based on the information available for the respective countries in the public domain;
- iii. Electricity cost: based on the information available for the respective countries in the public domain. For Taiwan and Vietnam, the same has been taken as the electricity cost in India;
- iv. Conversion cost: based on the cost incurred by the Petitioner;
- v. SGA cost and Finance Cost: based on the costs incurred by the Petitioner; and
- vi. Profit Margin: reasonable profit margin considered to work out the normal value.

12. The Authority, for the purpose of initiation, has prima facie considered the information made available by the petitioner regarding its cost of production and has constructed the normal value for all the subject countries with appropriate adjustments as per its consistent practice.

Export Price

13. The Petitioner has claimed the export price on the basis of data published by DGCI&S, Kolkata. Price adjustments have been claimed on account of ocean freight, local charges, handling charges, ocean insurance, inland freight, bank charges & credit cost, and non-refundable VAT (in case of China PR only). The Authority has considered adjustments on

export price as per its consistent practice on such adjustments in earlier investigations and applied the same on DGCIS data.

Dumping Margin

14. The normal value and the export price have been compared at ex-factory level, which prima facie show significant dumping margins in respect of the subject goods from the subject countries. There is sufficient prima facie evidence that the normal value of the subject goods in the subject countries is higher than the ex-factory export price, indicating that the subject goods are being dumped into the Indian market by the exporters from the subject countries.

Injury & Causal Link

15. Information furnished by the Petitioner has been considered for assessment of injury to the domestic industry. The Petitioner 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 suppression, price underselling, profitability, cash profits and return on capital employed. There is sufficient prima facie evidence of injury being suffered by the domestic industry caused by dumped imports from the subject countries to justify initiation of an anti-dumping investigation.

Initiation of Anti-dumping Investigation

16. And whereas, the Authority prima facie finds that sufficient evidence of dumping of the subject goods, originating in or exported from the subject countries; and injury to the domestic industry and causal link between the alleged dumping and injury exists to justify initiation of an anti-dumping investigation, the Authority hereby initiates an investigation into the alleged dumping, and consequent injury to the domestic industry in terms of Rule 5 of the Rules, to determine the existence, degree and effect of alleged dumping and to recommend the amount of anti-dumping duty, which if levied, would be adequate to remove the 'injury' to the domestic industry.

Period of Investigation

17. The period of investigation (hereinafter referred to as "POI") for the present investigation is from 1st July 2018 to 31st March 2019 (9 months). The injury investigation period will, however, cover the periods April 2015-March 2016, April 2016-March 2017, April 2017-March 2018 and the POI.

Submission of information

18. The known exporters in the subject countries and their governments through their embassies in India, 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.

19. 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. The information/submission may be submitted to:

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

20. 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

21. Any information relating to the present investigation should be sent in writing so as to reach the Authority at the address mentioned above not later than forty days (40 days) from the date of the publication 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 and offer their comments to the domestic industry's application within forty days (40 days) from the date of the publication of this initiation notification. The information must be submitted in hard copies as well as in soft copies.

Submission of information on confidential basis

23. 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.).

24. 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.

25. 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.

26. 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 summarised 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 summarisation is not possible must be provided to the satisfaction of the Authority.

27. 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 authorise its disclosure in generalised or summary form, it may disregard such information.

28. 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.

29. 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.

Inspection of Public File

30. 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.

Non-cooperation

31. 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.

(Sunil Kumar)

Additional Secretary & Designated Authority