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Analysing developments impacting business

ANTI-DUMPING INVESTIGATION | SINGLE MODE OPTICAL FIBRE ORIGINATING IN OR EXPORTED FROM CHINA, SOUTH KOREA AND INDONESIA

19 May 2022

Introduction:

The Directorate General of Trade Remedies (DGTR) has initiated an anti-dumping investigation concerning imports of "Dispersion Unshifted Single-Mode Optical Fibre" (SMOF) originating in or exported from China, South Korea and Indonesia by a Notification dated 6th May, 2022.

The DGTR will conduct the investigation to determine and recommend anti-dumping duties on the imports into India and has called for all interested parties to participate and make submissions in this regard.

Countries Involved:

Exports from China, South Korea and Indonesia are within the scope of the investigation.

Period of Investigation:

The period of investigation (**POI**) for the investigation is January 2021 to December 2021. The injury investigation period shall cover the periods of Indian financial years 2018-19, 2019-20, 2020-21 and the POI.

Product Scope:

The product scope covers Dispersion Unshifted Fibre (G.652) as well as Bend insensitive single mode Fibre (G.657) - as defined by International Telecommunication Union ("ITU-T"), which is a global standardization body for telecommunication systems and vendors. Dispersion shifted Fibre (G.653), Cut-off shifted single mode optical Fibre (G.654), and Non Zero Dispersion Shifted Fibres (G.655 & G.656) are specifically excluded from the scope of Product.

Birla Furukawa Fibre Optics Pvt. Ltd. (**Applicant**) has claimed that the imports are technically and commercially substitutable to the products manufactured by them and are '*like article*'.

Time-limit:

All interested parties are required to intimate their interest (including the nature of interest) in the investigation, file their questionnaire responses and offer their comments to the domestic industry's application on or before 5th June 2022.

Impact:

SMOF facilitates transmission of a single spatial mode of light as a carrier and is used for signal transmissions within certain bands. SMOF is used for manufacture of optical fibre cables, including uni-tube and multi tube stranded cables, tight buffer cables, armoured and un-armoured cables, ADSS & fig-8 cables, ribbon cables, wet core and dry core cables and others. The single-mode optical fibre is mainly applied to high-data rate, long distance and access network transportation, therefore, is mainly used in long-haul, metro area network, CATV, optical access network (for example FTTH) and even over short distance networks as applicable. Major consumption is driven by 3G / 4G / 5G rollout by telecom companies, connectivity of gram panchayat and defence (Network For Spectrum Project) and other major initiatives seeking enhancing overall connectivity.

As a result of the investigation, imports of SMOF from the subject countries may be levied with additional anti-dumping duties which will increase the landed cost of the imports into India, applicable for the next 5 years. This will have a long-term impact on telecom companies as the cost of the primary product for laying enhancing connectivity will likely be significantly enhanced.

Opportunity:

In the present anti-dumping investigation on SMOF, manufacturers and exporters from China, South Korea and Indonesia, will have the opportunity to co-operate with the DGTR by confidentially providing their relevant data in prescribed questionnaires to obtain an *individual anti-dumping duty* rate for their exports.

The rate of duty applicable to non-participating exporters will be based on the information provided by the domestic industry in India. Non-participation attracts residual margins which are country-wide, non-specific and based on internal calculations of the DGTR and are generally observed to be significantly higher than a manufacturer / exporter specific anti-dumping duty.

Since only Birla Furukawa Fibre Optics Pvt. Ltd. is considered as 'domestic industry', imports, if any, by other Indian manufacturers such as ZTT India Pvt. Ltd. and Sterlite Technologies Limited will also be liable for anti-dumping duties.

Manufacturers, exporters, importers, end-users and user associations are accorded the opportunity to oppose the imposition of anti-dumping duties and/or obtain individual anti-dumping duty rates by filing prescribed questionnaires, legal representations and presenting oral submissions before the DGTR.

Exporters and importers can align themselves to utilize the opportunity to minimize the impact of the imposition of anti-dumping duties on their respective countries and mitigate market access conditions by seeking product exclusions and securing individual duty rates for their export channels.

- Udayan Choksi (Partner), Mayank Jain (Partner), Vikram Naik (Principal Associate) and Marmik Kamdar (Associate)

For any queries please contact: editors@khaitanco.com

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