

DIRECTOR GENERAL (SAFEGUARDS)

NOTIFICATION

New Delhi, 24th April 2009

Subject: Safeguard investigation concerning imports of Uncoated Paper and Copy Paper– Preliminary findings.

GSR D-22011/ 27/ 2009 dated 24th April 2009 having regard to the Custom Tariff Act, 1975 and the Custom Tariff (Identification and Assessment of Safeguard Duty) Rules, 1997 thereof.

1. Procedure

- i. The notice of initiation of safeguards investigation concerning imports of Uncoated Paper and Copy Paper into India was issued on 20th April 2009 and was published in the Gazette of India, Extraordinary on the same day. A copy of the notice was also sent to all known interested parties as under:-

Domestic Producers Association

- I. Indian Paper Manufacturers Association
PHD House, (4th floor),
4/2 Siri Institutional Area,
(Opp. Asian Games Village),
New Delhi-110 016

Domestic Producers

- I. Ballarpur Industries Limited.
First India Place, Tower C,

Mehrauli Gurgaon Road,
Gurgaon (Haryana) - 122001

- II. JK Paper Limited
Nehru House, 4 Bafadur Shah Zafar Marg,
New Delhi-110 002
- III. ITC Limited
106, Sardar Patel Road,
Secunderabad – 500003,
Andhra Pradesh.
- IV. M/s The Andhra Paper Mills Ltd.
501-509,Swapanlok Complex,
92/93, Sarojinidevi Road,
Secunderabad-500 003
- V. M/s Tamil Nadu Newsprint and Papers Limited
67, Mount Road,
Guindy,
Chennai-600 032
- VI. Abhishek Industries Ltd.,
E 212, Kitchlu Nagar,
Ludhiana – 141 001,
Punjab.
- VII. Century Pulp & Paper,
Century Pulp & Paper
Ghanshyamdham, P.O. Lalkua – 262 402.
Distt. Nainital, Uttaranchal
- VIII. Emami Paper Mills Ltd.,
Emami Paper Mills Ltd.
687 Anandapur e.m. bypass,
Kolkata – 700 107.
- IX. Hindustan Paper Corporation Ltd.

75-C, Park Street,
Kolkata – 700 016.

- X. Khanna Paper Mills Ltd.,
Fatehgarh Road,
Amritsar – 143 001.
- XI. The Mysore Paper Mills Ltd.
16/4 Ali Asker Road,
P.B. No. 112,
Bangalore – 560 052.
- XII. Orient Paper & Industries Ltd.,
Birla Building
9/1, R.N. Mukherjee Road,
Kolkata – 700 001.
- XIII. Pudumjee Pulp & Paper Mills Ltd.,
Jatia Chambers,
60, Dr. V.B. Gandhi Marg,
Mumbai – 400 023.
- XIV. Rama Newsprint and Papers Ltd.,
31, Chowringhee Road,
Kolkata – 700 016.
- XV. Seshasayee paper and paper Board Ltd.
Cauvery R S P O
Erode – 638 007.
Tamil Nadu
- XVI. The Sirpur Paper Mills Ltd.,
UCO Bank Building (3rd Floor)
Parliament Street,
New Delhi – 110 001.
- XVII. Star Paper Mills Ltd.,
Seth Baldeodas Bajoria Road,

Saharanpur,
Uttar Pradesh – 247 001.

XVIII. The west Coast Paper Mills Ltd.
31, Chowringhee Road,
Kolkata – 700 016.

XIX. Yash Paper Mills Ltd
P.O. Darshannagar,
Distt. Faizabad – 224 135
Uttar Pradesh.

Importers and Users

I Chimanlal Fein Paper Pvt. Ltd:
40/42, Bombay Mutual Building
293, Dr. D.N. Road Mumbai

II Infinity INdutries Pvt. Ltd:
Haroon House, 1st Floor,
294, Parin Nariman Street,
Opp RBI Mumbai

III Paper Plus Technologies (P) Ltd:
Sn. 592/2/11, Handewali Road,
Bhosala Farm, Devachi Urali,
Pune

IV Akshay Impex:
7, Nyniappa Naicken Street,
Second Floor,

Chennai – 600003,

Tamil Nadu

V Amit Impex: New no. 17,

Old no.9, Narayana Mudali Lane,

Chennai – 600079

VI Papers World Wide (India) services Private Limited:

18, Sadullah Street, Flat A,

Prabhu Apartments,

T. Nagar, Chennai,

Tamil Nadu - 600017

VII Ajanta Offset and Packaging Limited:

Plot no. 61, sector 27- C,

Faridabad,

Haryana – 121003

VIII Aero Exports:

Plot no. 183, Sector IV,

Manesar, Gurgaon, Haryana,

F-80, Khanpur Extension,

Delhi.

IX Repro India Limited:

A-50/2, TTC Industrial Area,

MIDC Mahapa,

New Bombay – 400709

X Printhouse (India) Pvt. Ltd

6, Datta Mandir Road

Bhandup (West), Mumbai

Exporters & Foreign Producers

- I. APRIL fine paper trading,
Jalan Teluk betung No. 31,
Jakarta,
Indonesia

- II. Advance Agro,
187/3 Moo 1, Bangna-Trad km.42 Road,
Bangwua District,
Amphur Bangpakong,
Chachoengsao, 24180
Thailand

- III. Stora Enso Oyj P.O. Box 309,
FI-00101 Helsinki,
Finland

- IV. Sinar Mass Group –APP China
Sinar –Mass Paper (China) Investment Co., Ltd.
8-9F, Bund Centre, No. 222,
East Yan'an Road,
Shanghai, 2000002

- V. Gold East Trading (HONGKONG) Co Ltd,
Unit 501-504A,
Empire Centre
68 Mody Road,
T SimshaTsui East
Hongkong

- VI. Kowa Company Ltd,
6-29 Nishiki 3- Chome Naka-Ku Nagoya,
Japan

- VII. Vital Solutions pte Ltd,
Singapore 069532
- VIII. Daiei Paper (S.A.) Pte Ltd,
3. Shenton way, # 11-08,
Shenton House
Singapore
- IX. Cellmark asia Pte Ltd,
47 Scotts road
12-01 Goldbell Towers,
Singapore
- X. International Paper,
6400 Poplar Avenue,
Memphis 38197,
USA.
- XI. West Waco,
11013 West Broad street,
Glen Allen,
Virginia 23060,
USA.
- XII. M-real corporation,
PO Box 20,
Metsa 02020,
Finland.

- ii. A copy of the notice was also sent to Governments of exporting countries through their Embassies in New Delhi.
- iii. Questionnaires were also sent, on the same day, to all known domestic producers, exporters and importers and they were asked to submit their response within 30 days.

- iv. All non confidential versions of the application, response and additional submissions have been kept in the Public Folder.

2. View of the Domestic Industry

- i. The application has been filed by Indian Paper Manufacturers Association, on behalf of (1) ITC Limited (2) Ballarpur Industries Limited, (3) JK Paper Limited, (4) M/s The Andhra Paper Mills Ltd, (5) M/s Tamil Nadu Newsprint and Papers Limited , (6) Abhishek Industries Ltd., (7) Century Pulp & Paper, (8) Emami Paper Mills Ltd., (9) Hindustan Paper Corporation Ltd. (10) Khanna Paper Mills Ltd., (11) The Mysore Paper Mills Ltd. (12) Orient Paper & Industries Ltd., (13) Pudumjee Pulp & Paper Mills Ltd., (14) Rama Newsprint and Papers Ltd., (15) Seshasayee paper and paper Board Ltd. (16) The Sirpur Paper Mills Ltd., (17) Star Paper Mills Ltd., (18) The west Coast Paper Mills Ltd. and (19) Yash Paper Mills Ltd for imposition of Safeguard Duty on imports of Uncoated paper and copy paper made primarily from virgin chemical pulp into India to protect the domestic producers of Uncoated paper and copy paper against threat of serious injury caused by the increased imports of Uncoated paper and copy paper made primarily from virgin chemical pulp into India. The applicants have made following major points:-
 - ii. The applicants have alleged that the trend of increased imports of Uncoated paper and copy paper into India have caused a threat of serious injury to domestic industry.
 - i. The domestic industries manufacture Uncoated paper and copy paper made primarily from virgin chemical pulp falling under various headings

of chapter heading 4802. The domestic industry has submitted that their products are directly competing products with imported products falling under 4802 54 90, 4802 55 10, 4802 55 20, 4802 55 30, 4802 5540, 4802 55 50, 4802 55 90, 4802 5610, 4802 5620, 4802 5630, 4802 5640, 4802 56 50, 4802 5690, 4802 57 10, 4802 57 20, 4802 57 30, 4802 5740, 4802 57 50, 4802 5790, 4802 58 10, 4802 58 20, 4802 58 30, 4802 58 40, and 4802 58 90 of HSN as well as Customs Tariff Act, 1975. The applicants have alleged threat of serious injury caused to the domestic producer by the increased imports of Uncoated paper and copy paper made primarily from virgin chemical pulp into India and falling under above headings at eight digit level.

- ii. Papers are made using pulp obtained by chemical or mechanical process or a combination of both. Further the pulp can be obtained either using fresh plant sources or from recycled paper. The present application covers Uncoated Paper and copy Paper primarily made with virgin pulp using chemical process. The domestic industry has argued that the products falling under the headings mentioned above at eight digit level are similar as far as their technical characteristics, chemical composition and other basic features are concerned. The products of all these headings find similar uses. Therefore these products are like and directly competing products. Despite possible minor superficial differences, in terms of quality, these products have the similar basic physical characteristics and similar end uses. These are sold via similar or identical sales channel. These products compete mainly on price. Imposition of safeguard duty on one heading at eight digit level in isolation will not serve any purpose as importers will start importing other directly competing products. Thus the domestic industry has argued that in view of above, for the purposes of safeguard investigation the product basket consisting of products mentioned above needs to be considered as the 'product under consideration'.
- iii. They have alleged that surge in imports are taking place at lower prices making them lose their market share.

- iv. The increased imports at lower prices are on account of unforeseen developments as mentioned below:

Fall in demand in exporting countries has forced manufacturers in those countries to get rid of their surplus inventories through excessive discounts of export and this is a cause for sudden increase in imports. The major players have very small domestic demand compared to their respective production capacities. The far East paper producers created huge capacity of uncoated paper and copy paper. Out of this capacity major portion was meant for developed countries. On account of sudden decline in demand in developed countries, the importers of developed countries stopped buying paper from these countries which resulted into huge stock built up with the companies of Exporting Countries. The result is that these units are left with piled stock of uncoated paper and copy paper which they are trying to export at lower prices to India, which is still growing at a fair rate of growth. As a result they started exporting the product into Indian market at a reduced price to release working capital from the huge stock built up, which is causing threat of serious injury to domestic industry.

- v. The Profitability and return on capital employed of domestic industry has gone down. The difference in landed price of imports and domestic selling price has gone up during the period of investigation and has caused threat of serious injury.
- vi. They have requested for imposition of Safeguard duty to protect the domestic producers of uncoated paper and copy paper against serious injury in view of current threat of serious injury caused by the increased imports.

- vii. They have alleged that unforeseen developments are causing increased imports and increased imports have caused threat of serious injury. There is no other factor which has perceptible bearing on the threat of serious injury faced by the domestic producer.
- viii. The applicants submit that the imposition of safeguard duty on uncoated paper and copy paper shall not cause harm to public interest as prices of domestic uncoated paper and copy paper are more or less stable in India. Further the applicants have submitted that apart from direct employment to their employees paper industry provides support to farmers in earning their livelihood and are instrumental in soil conservation. Therefore imposition of safeguard duty for protecting paper industry will be really in public interest.
- ix. Applicants' proposes to adopt an appropriate strategy to improve upon efficiency and to bring cost effectiveness to compete with the international players.
- x. They have also requested for imposition of provisional Safeguard duty in light of critical circumstances, leading to damage which would be difficult to repair.

3. Findings of D.G.

- i. The issue to impose immediate safeguard measures is examined. It has been found that a total of 168 Safeguard Initiations have been reported to the WTO during the period between 29.03.1995 and 12.11.2008. It is observed that in several of these cases provisional safeguard measures

have been recommended/ imposed immediately after initiation of the safeguard investigation. In several cases the provisional safeguard measures have been recommended on the same day as the date of initiation of the investigation. The Rule 9 of Customs Tariff (Identification And Assessment of Safeguard Duty) Rules, 1997 notified vide Notification No. 35/97-NT-Customs dated 29.07.1997 prescribes that the Director General shall proceed expeditiously with the conduct of the investigation and in critical circumstances, he may record a preliminary finding regarding serious injury or threat of serious injury. The principles governing investigations have been provided in the Rule 6 of the Customs Tariff (Identification and Assessment of Safeguard Duty) Rules, which is independent to Rule 9. The Rule 15 of the Customs Tariff (Identification And Assessment of Safeguard Duty) Rules provide for refund of differential Safeguard duty in case safeguard duty imposed after conclusions of the investigations is lower than the provisional duty already imposed and collected. The harmonious reading of Rules 6,9 and 15 of the said Rules leads to a conclusion that the Rules provide for expeditious recommendation of provisional Safeguard duty based on preliminary findings and refund of the differential duty in case it is ascertained that the duty imposed after conclusion of investigation following natural justice as enshrined in the Rule 6 is lower than the provisional Safeguard Duty. However, in critical circumstances any delay in imposition of provisional Safeguard duty may cause damage which would be difficult to repair. Accordingly, it was considered prudent to analyze circumstances to assess whether the same falls in the category of critical circumstances.

ii. The product under investigation

- a. The applicants have alleged that increased imports of Uncoated paper and copy paper into India have caused threat of serious injury to domestic industry. The domestic industries manufacture Uncoated paper and copy paper made primarily from virgin chemical pulp falling under various headings of chapter heading 4802. The domestic industry has submitted that their products are

directly competing products with imported products falling under 4802 54 90, 4802 55 10, 4802 55 20, 4802 55 30, 4802 5540, 4802 55 50, 4802 55 90, 4802 5610, 4802 5620, 4802 5630, 4802 5640, 4802 56 50, 4802 5690, 4802 57 10, 4802 57 20, 4802 57 30, 4802 5740, 4802 57 50, 4802 5790, 4802 58 10, 4802 58 20, 4802 58 30, 4802 58 40, and 4802 58 90 of HSN as well as Customs Tariff Act, 1975. The applicants have alleged threat of serious injury caused to the domestic producer by the increased imports of Uncoated paper and copy paper made primarily from virgin chemical pulp into India and falling under above headings at eight digit level.

- b. Papers are made using pulp obtained by chemical or mechanical process or a combination of both. Further the pulp can be obtained either using fresh plant sources or from recycled paper. The present application covers Uncoated Paper and copy Paper primarily made with virgin pulp using chemical process. The domestic industry has argued that the products falling under the headings mentioned above at eight digit level are similar as far as their technical characteristics, chemical composition and other basic features are concerned. The products of all these headings find similar uses. Therefore these products are like and directly competing products. Despite possible minor superficial differences, in terms of quality, these products have the similar basic physical characteristics and similar end uses. These are sold via similar or identical sales channel. These products compete mainly on price. Imposition of safeguard duty on one heading at eight digit level in isolation will not serve any purpose as importers will start importing other directly competing products. Thus the domestic industry has argued that in view of above, for the purposes of safeguard investigation the product basket consisting of products mentioned above needs to be considered as the 'product under consideration'.
- c. The products falling under these headings at eight digit level are similar as far as their technical characteristics, chemical composition and other basic features are concerned. The products of all these headings find similar uses in printing industry. These products are

technically and commercially like and directly competing products. Despite possible minor superficial differences, in terms of quality, these products have the similar basic physical characteristics and the similar end uses. These are sold via similar or identical sales channel. These products compete mainly on price. Imposition of safeguard duty on one heading at eight digit level in isolation will not serve any purpose as importers will start importing other directly competing products. The domestic industry manufactures all the products in question. In view of above, for the purposes of safeguard investigation the product basket consisting of uncoated paper and copy paper consisting of the product mentioned above needs to be considered as the 'product under consideration'.

- iii. Domestic Industry - The application has been filed by Indian Paper Manufacturers Association, on behalf of (1) ITC Limited (2) Ballarpur Industries Limited, (3) JK Paper Limited, (4) M/s The Andhra Paper Mills Ltd, (5) M/s Tamil Nadu Newsprint and Papers Limited , (6) Abhishek Industries Ltd., (7) Century Pulp & Paper, (8) EmamiPaper Mills Ltd., (9) Hindustan Paper Corporation Ltd. (10) Khanna Paper Mills Ltd., (11) The Mysore Paper Mills Ltd. (12) Orient Paper & Industries Ltd., (13) PudumjeePulp & Paper Mills Ltd., (14) Rama Newsprint and Papers Ltd., (15) Seshasayee paper and paper Board Ltd. (16) The Sirpur Paper Mills Ltd., (17) Star Paper Mills Ltd., (18) The west Coast Paper Mills Ltd. and (19) Yash Paper Mills Ltd – on behalf of domestic producers of Uncoated Paper and copy Paper made primarily from virgin chemical pulp for imposition of Safeguard Duty on imports. The application has been supported by more than 80% of domestic producers of Uncoated Paper and copy Paper made from virgin pulp in

India. Accordingly, the applicants constitute domestic industry in terms of clause (b) of subsection (6) of Section 8B of the Customs Tariff Act, 1975.

- iv. Unforeseen Developments: As a result of current unforeseen and unexpected economic melt down and recession, some of the countries are faced with fall in export to their normal markets, idling of production capacities in those countries. Exporters of these countries are resorting to export of their products in increased quantities at low prices to Indian market, which still continues to enjoy growth.
- v. Increased Imports - Uncoated paper and copy paper is imported into India from Indonesia, Sweden, Germany, Finland and many other countries. The imports of uncoated paper and copy paper have shown an increasing trend in absolute terms as well as compared to the domestic sales. The share of imports during the period of investigation is as under

Table 1

	2006-07	2007-08	2008-09 (Apr-Dec 2008)	2008-09 (Jan-March 09) (Estimate)
Imports (MT)	11077.00	17016.00	13504.00	5631.00
Monthly imports (MT)	923.08	1,418.00	1,500.44	1,877.00
Monthly imports (indexed)	100.00	153.62	162.55	203.34

The imports of uncoated paper and copy paper have thus increased in absolute terms as well as in relative terms. Further there is a sharp and sudden increase in imports in January – March 2009 during which the monthly average import figure has doubled to 1877 MT from monthly average figure of 923.08 MT of 2006-07 as can be seen from monthly import figures above. There is a growth in imports of 62.5% in April to Dec 2008 as compared to 2006-07. During Jan-March 2009 there is a further growth of 25% when compared with first nine months of 2008-09 posing a threat of serious injury. The index of monthly imports also shows the doubling of imports.

vi. Threat of serious injury –

- a. Sales: The share of domestic sales of the product under investigation has seen decline during the year 2008-09 compared to the preceding year as apparent from the Table below.

Table: 2

Market share in total consumption				
	2006-07	2007-08	2008-09 (Apr-Dec 2008)	2008-09 (Jan-March 09) (Estimate)
Imports (%)	0.63	0.93	0.90	1.13
Domestic sales (%)	99.37	99.07	99.10	98.87

However as discussed in para (d) below the prices of these items has fallen sharply leading to threat of increased imports and consequent threat of serious injury.

- b. Market Share of domestic Industry: Market share of domestic industry was 99.37% in 2006-07, which declined to 99.07% during 2007-08. With 1877 MT of import in January 2009, the market share of domestic industry will fall to 98.87% whereas there is a growth in imports in absolute terms as well as in relative terms. The current trend of import prices and imports pose a threat of serious injury to domestic producers.
- c. Production: The share of imports in the total available material in domestic market has seen a steep increase in recent period of 2008-09

compared to 2007-08. The share of imports in total available material will go up to 1.11 % compared to 0.89% of previous year.

Table: 3

Share in total available material				
	2006-07	2007-08	2008-09 (Apr-Dec 2008)	2008-09 (Jan-March 09)(Estimate)
Share of imports (%)	0.63	0.93	0.89	1.11
Share of domestic production (%)	99.37	99.07	99.11	98.89

- d. Trend of Import Prices: With the continuously falling import prices, the import price to India has shown a step decline in past six months:

Table: 4

	Weighted Average CIF USD/MT
Sep-08	817
Oct-08	814
Nov-08	768
Dec-08	773
Jan-09	715
Feb-09	680

- e. Profitability and return on capital employed: The Profitability and return on capital employed (Confidential) of domestic industry has

gone down. The difference in landed price of imports and domestic selling price has gone up during the period of investigation. The return on capital employed in 2007-08 was close to 9% which has fallen by 23% in 2008-09 (April-Dec) compared to 2007-08.

- f. Productivity: The preliminary investigation shows no indication to suggest that the injury is on account of loss of productivity.

- vii. Causal link between increased import and threat of serious injury: A comprehensive evaluation of parameters as above for the period from 2006-07 up to the financial year 2008-09 demonstrates threat of serious injury and significant impairment of the Indian producers of uncoated paper and copy paper. The figures above show that in 2008-09, Imports in absolute terms as well as Share of Imports has gone up when compared to 2007-08. In the same period when imports have gone up, domestic industry is injured as Share of domestic Industry and Return on Capital employed has gone down. Therefore in the recent period there is a surge in import and as a result of which there is a threat of serious injury to domestic industry. The huge loss of profitability during the current financial year compared to the previous years profit also coincides with significant increase in share of imports. This clearly depicts a direct correlation between the increase in imports at lower prices and threat of serious injury faced by the domestic industry. The increase in imports has had injurious effects in terms of pressure on prices and a reduction in share of the domestic industry in sales and their profitability.

- viii. Adjustment plan – The domestic producer has submitted detailed adjustment plan to cut cost, which includes social forestry measures to cut raw material costs, Power saving by modernizing electrical equipments, Use of better manufacturing practices, Improvement in management practices, enhanced use of Information Technology (IT) and

IT enabled services in every day management at all the levels, Reduction of administrative expenses, Effective Inventory Management, increasing power generation, vendor development and R&D efforts apart from capacity expansion.

ix. Public Interest: The industry generates employment to lakhs of people directly and indirectly. The industry is backward linked to the farmers' community in rural India. The main raw material is pulpwood and most of the leading industry players have developed sustainable farm and social forestry in their respective States. High yielding clones developed by R&D over several years are distributed to the small and medium farmers encouraging them to plant them in their waste and dry lands, which generates rural employment to the rural farming community and also sustainable income to the farmers. Apart from the obvious benefits of increasing the green cover, this effort also directly contributes to in-situ moisture conservation, ground water recharge and significant reduction in top soil losses due to wind and water erosion. As a result of the leaf litter from multi-species plantations and the promotion of leguminous intercrops, depleted soils are constantly enriched. Therefore it is in the larger public interest that paper industry must not be closed.

x. Critical Circumstances: This is a case of threat of serious injury. The market share of imports is increasing rapidly at the cost of losing share of domestic industries in 2008-09. The trend of imports in the recent period of 2008-09, if continues will cause irreparable damage to domestic industry. The capacity utilization of domestic producers is likely to go down substantially if safeguard measures are not taken immediately. The profitability of domestic industry has already declined incapacitating them to regain market share, if immediate safeguard measures are not taken. The return on capital employed has also fallen significantly. Accordingly, the preliminary determination shows that critical

circumstances exist in which delay in imposing provisional safeguard duty cause would damage which it would be difficult to repair.

- xi. Other Issues: The provisional examination of the interests of the domestic producers, users, importers and other economic operators indicate that the domestic producers have technologically competitive plants, trained manpower and enjoyed high level of productivity and are able to meet quality and service concern of their customers. Any delay in imposition of provisional safeguard duty would seriously jeopardize their viability. It is prudent to have a healthy and competitive industry in the interest of all. It is apparent that if no safeguard measures are taken, both the prices and the market share of the domestic producers will further deteriorate resulting in increased inventories reduced production, increased losses and loss of employment.
- xii. Developing Nations: There have been imports from Indonesia, Singapore and China, which are more than 3% as shown below. Imports of the product from all other developing countries taken together do not contribute more than 9% of imports to India. Accordingly, imports of uncoated paper and copy paper from all developing nations as notified vide Notification No. 103/98-Cus dated 14.12.1998 (as amended) except Indonesia, Singapore and China PR may not attract safeguard duty.

Table 5

	% share in
	total imports in 2008-09 (Apr-Dec)
INDONESIA	28.7
SINGAPORE	9.1
CHINA PR	3.2

xiii. Conclusion and Recommendation:

On the basis of the above preliminary findings it is seen that increased imports of uncoated paper and copy paper have caused threat of serious injury to domestic producers of uncoated paper and copy paper. There exist critical circumstances, where any delay in application for safeguard measures would cause damage which it would be difficult to repair, necessitating immediate application of provisional safeguard duty for a period of 200 days, pending a final determination of threat of serious injury. Considering the average cost of production of uncoated paper and copy paper by the domestic producers (confidential), a reasonable return on capital employed, the interest of the end users, the present level of import duties and the average import prices of uncoated paper and copy paper, safeguard duty at the rate of 20% (twenty Percent) ad-valorem is considered to be the minimum required safeguard duty to protect the interest of domestic industry and is recommended to be imposed on imports of "uncoated paper and copy paper primarily made from virgin chemical pulp and classified under sub-heading Nos. 4802 54 90, 4802 55 10, 4802 55 20, 4802 55 30, 4802 5540, 4802 55 50, 4802 55 90, 4802 5610, 4802 5620, 4802 5630, 4802 5640, 4802 56 50, 4802 5690, 4802 57 10, 4802 57 20, 4802 57 30, 4802 5740, 4802 57 50, 4802 5790, 4802 58 10, 4802 58 20, 4802 58 30, 4802 58 40, and 4802 58 90 of Schedule I of the Customs Tariff Act 1975" into India.

xiv. Further Process:

- (a) The information provided by various parties may be subject to verification wherever necessary for which they will be informed separately.
- (b) A public hearing will be held in due course before making a final determination, for which the date will be informed separately.

(c) Interested parties may make their views known to the DG on this preliminary findings on or before 25.05.2009

Sd/

(S. S. RANA)

Director General
(Safeguards)