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GOVERNMENT OF INDIA
MINISTRY OF COMMERCE & INDUSTRY
DEPARTMENT OF COMMERCE
(DIRECTORATE GENERAL OF ANTI-DUMPING & ALLIED DUTIES)
4th Floor, Jeevan Tara Building, Parliament Street

INITIATION NOTIFICATION

New Delhi,
Date: 14th October, 2016

Subject: Initiation of Antidumping Investigation against import of Caustic Soda originating in or exported from Japan and Qatar.

File No. 14/31/2015-DGAD: WHEREAS a petition has been filed by the Alkali Manufacturers' Association of India (AMAI), before the Designated Authority (hereinafter referred to as Authority), on behalf of the domestic producers of caustic soda, along with 4 producers of the subject goods, i.e., M/s DCW Ltd, M/s Gujarat Alkalies & Chemicals Ltd., M/s Grasim Industries Ltd., and SIEL (hereinafter referred to as the Applicants or Petitioners) requesting for initiation of an anti-dumping investigation against import of Caustic Soda (herein after referred to as subject goods) originating in or exported from Japan and Qatar (hereinafter referred to as subject countries), in accordance with the Customs Tariff Act, 1975 as amended in 1995 (hereinafter referred to as the Act) and 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 Rules).

A. Product under consideration

2. The goods allegedly being dumped are Caustic Soda. Caustic Soda is chemically known as NaOH, an inorganic, soapy, strongly alkaline and odorless chemical. Caustic Soda is produced in two forms i.e. lye and solids (flakes) by three technology processes, i.e. mercury cell process, diaphragm process and membrane process. Liquid form can be converted into solid and solid form can be reconverted in liquid with ease and without any change in the chemical properties of the product. The solid form has ease of storage and transportation whereas the liquid form has easy solubility. For end use both the forms are substitutable and interchangeable. Both the form of caustic soda are subject matters of this investigation.

B. Like article

3. Petitioners have claimed that there is no known difference in subject goods produced by the Indian industry and subject goods imported into India from the subject countries.

C. Customs Classification

4. The product under consideration is classified under Chapter 28 of the Customs Tariff Act, 1975 under the customs heads 2815.11 and 2815.12. As per the ITC 8-digit classification the product is classified under the Custom Heading 2815.1101, 2815.1102 and 2815.1200. However, the above classification is indicative only and is no way binding on the scope of this investigation.

D. Domestic industry and Standing

5. The petition has been filed by the Alkali Manufacturers' Association of India (AMAI) on behalf of Indian producers of the subject goods alongwith 4 major producers of the subject goods i.e., M/s Gujarat Alkalies and Chemicals Ltd., M/s DCW Ltd., M/s Grasim Industries Ltd, M/s SIEL.

6. Apart from the above participating companies there are about 25 other Indian producers of the product under consideration who are also members of the associations. As per the information on the capacities and production volumes of all domestic producers provided by the Association the participating domestic producers command a major proportion of the production of the subject goods in India. Therefore, the Authority holds that for the purpose of this investigation the applicant domestic producers command the standing in terms of Rule 5(3) and constitutes the domestic industry in terms of Rule 2(b) of the AD Rules.

E. Countries Involved

7. The countries against whom the application has been filed for investigation are Japan and Qatar.

F. Estimates of Dumping Margin

8. As evidence of dumping of the subject goods from the subject countries the HIS Chemical, Global Chlor Alkali, Monthly Market Reports for the period under investigation has been referred to which provides the domestic prices in Japan/NE

Asia and Middle East in terms of US\$/ DMT. Accordingly, the ex-works normal value in Japan has been estimated on the basis of this information the average selling price in the domestic market in Japan after adjusting the same for the domestic selling expenses. In the absence of published information of the trading prices for the subject goods in Gulf region the Normal value in Qatar has been constructed for the purpose of preliminary estimates.

9. The net ex-works export prices from the above countries have been estimated considering volume and value of imports as per DGCI&S data after adjusting the same for ocean freight, marine insurance, commission, bank charges, port expenses and inland freight expenses on facts available basis.

10. As per the positive evidence placed by the applicants before the Authority the Normal Values of the subject goods in the subject countries are significantly higher than the net export prices to India, indicating prima-facie that the subject goods are being dumped in the Indian market by exporters from the subject countries. The dumping margins so estimated, are positive and above *de minimis*.

G. Injury and causal link

11. The petitioners have alleged that dumped imports of the subject goods from the subject countries have caused material injury in terms of erosion of market share and profitability due to cumulative effects of volume and price effects. It has also been alleged that the rate of increase in dumped imports in the proposed period of investigation is causing threat of material injury to the domestic industry. The applicant has furnished information on volume and value of dumped imports from the subject countries and various parameters establishing injury and threat of material injury to the domestic industry, on account of the alleged dumped import of the product under consideration. These parameters prima-facie indicate that the domestic industry has suffered material injury due to dumped imports of the subject goods from the subject countries and there is a threat of injury in the imminent future.

H. Initiation of anti-dumping investigations

12. AND WHEREAS, the Authority finds that sufficient *prima facie* evidence of dumping of the subject goods from the subject countries; material injury and threat of material injury to the domestic industry; and causal link between the dumping and injury exist, the Authority hereby initiates an investigation into the alleged dumping,

and consequent injury to the domestic industry, in terms of the Rule 5 of the said Rules, to determine the existence, degree and effect of alleged dumping, if any, and to recommend the amount of antidumping duties, which if levied would be adequate to remove injury and threat of injury to the domestic industry.

I. Procedure

a) Period of investigation (POI)

13. For purpose of purpose of this investigation the period from 1st April 2015- 31st March 2016 shall be the period of investigation. However, for the purpose of injury investigation the information for the period 2012-13, 2013-14, 2014-15 and POI shall be considered.

b) Submission of information

14. The exporters in the subject countries; the Government of Japan and Qatar, through its Embassies in India; the importers and users of the subject goods in India; and the domestic industry are requested to submit relevant information in the form and manner prescribed and to make their views known to the:

The Designated Authority
Directorate General of Anti-Dumping and Allied Duties
Ministry of Commerce and Industry
Government of India
4th Floor, Jeevan Tara Building, Parliament Street,
New Delhi- 110001.

15. Any other interested party may also make its submissions, relevant to the investigation, in the prescribed form and manner within the time limit set out below.

c)Time limit

16. All interested parties, whose addresses are available, would be advised through a letter to offer their comments in writing so as to reach the Authority at the address mentioned above not later than forty days (40 Days) from the date of issuance of such letter. Any other interested party, whose address is not available, may also submit comments/ information within 40 days from date of publication of this notification. The information must be submitted in hard copies as well as soft copies. 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 AD Rules.

d) Submission of information on confidential basis

17. The parties making any submission (including Appendices/Annexure 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: -

(a) One set marked as Confidential (with title, number of pages, index, etc.), and

(b) The other set marked as Non-Confidential (with title, number of pages, index, etc.).

18. 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 two (2) sets of each.

19. 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.

20. 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, 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.

21. 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. Any submission made without a meaningful non-confidential version thereof or without a good cause statement on the confidentiality claim shall not be taken on record by the Authority.

22. 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.

e) Inspection of Public File

23. In terms of Rule 6(7), any interested party may inspect the public file containing non- confidential version of the evidence submitted by other interested parties.

f) Non-cooperation

24. 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.

A. K. Bhalla
Additional Secretary and Designated Authority