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**F. No: 6/35/2017-DGAD
Government of India
Ministry of Commerce & Industry
Department of Commerce
Directorate General of Anti-dumping and Allied Duties
Jeewan Tara Building, 4th Floor, 5, Parliament Street, New Delhi**

New Delhi, 16th May, 2018

Termination Order

Case No. OI-40/2017

Subject: Anti-Dumping investigation on imports of “Meta-Phenylene Diamene-4-Sulphonic Acid (MPDSA)” originating in or exported from People’s Republic of China.

No.6/35/2017-DGAD: - Having regard to the Customs Tariff Act 1975 as amended from time to time (hereinafter also 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 also referred to as the Rules) thereof, M/s Chamunda Industries, M/s Matrushakti Industries and M/s Varahi Industries (hereinafter referred to as “the petitioners”) had filed an application before the Designated Authority (hereinafter also referred to as the Authority) in accordance with the Act and Rule *supra* for initiation of anti-dumping investigation and imposition of anti-dumping duties concerning imports of “Meta-Phenylene Diamene-4-Sulphonic Acid (MPDSA)” (hereinafter also referred to as the subject goods or product under consideration), originating in or exported from China PR, (hereinafter also referred to as the subject country) alleging dumping of subject goods from subject country and consequent injury to the domestic industry.

2. The Authority notified the Embassy of the subject country in India about the receipt of the anti-dumping application before proceeding to initiate the investigation in accordance with Sub-rule (5) of Rule 5 *supra*.

3. The Authority on the basis of prima facie evidence submitted by the petitioners, issued a public notice vide Notification No.6/35/2017-DGAD dated 24.01.2018, published in the Gazette of India, Extraordinary, initiating the subject anti-dumping investigation in accordance with the Rule 5 of the AD Rules, to determine the existence, degree and effect of the 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.

4. The Authority considered April 2016 to June 2017 (15 months) as the POI (Period of Investigation) to undertake analysis. For the examination of trends, in the context of injury analysis, the periods covered included Apr’13-Mar’14, Apr’14-Mar’15, Apr’15-Mar’16 and the period of investigation.

5. And whereas, the Authority has relied upon the transaction wise import data obtained from DGCIS, for determining the volume and value of import of subject goods for the POI and previous years.

6. The Authority post-initiation sent copies of the initiation notification to the Embassy of the subject country in India, known producers/exporters from the subject country, known importers/users and the domestic industry as per the addresses made available by the petitioners and requested them to make their views known in writing within 40 days of the initiation notification as per Rule 6(2) of the AD Rules. Necessary extensions to file such submissions wherever warranted was also granted by the Authority.

7. The Authority provided copies of the non-confidential version of the application to the known producers/ exporters and to the Embassy of the subject country in India in accordance with Rule 6(3) of the Rules supra. A copy of the application was also provided to other interested parties, wherever requested. The Embassy of the subject country in India was also requested to advise its domestic exporters/ producers to respond to the questionnaire within the prescribed time limit.

8. Subsequent to initiation and on 31.1.2018, it was communicated to all the producers/exporters of the subject goods that the relevant information should be provided separately in exporters/ importer's questionnaires. The Authority sent questionnaires to elicit relevant information to 3 known producers/ exporters in subject country in accordance with Rule 6(4) of the AD Rules;

9. In response to the initiation notification and intimation, 9 exporters/ producers from subject country responded to the Authority by filing Exporter's Questionnaire Response.

10. Questionnaire links were also sent to 24 known importers/ users of subject goods in India calling for necessary information. 3 importers/ users responded by filing Importer Questionnaire responses.

11. The Authority made available non-confidential version of the evidences presented by various interested parties in the form of a public file kept open for inspection by the interested parties.

12. The Authority, in accordance with Rule 6(6) of the AD Rules, to provide opportunity to all interested parties to present their views orally, had also fixed a date of Oral hearing which was supposed to be held on 22.05.2018.

13. The request to terminate the present investigation has been made by the domestic industry under Rule 14(a) of the AD Rule vide its letter dated 07/05.2018 (delivered on 11/05/2018) citing the following reasons:

- a. Their customers are not happy with them and in fact are quite upset with their decision to seek anti-dumping duties and they do not wish to spoil relationships with their customers to such an extent where they might lose their customers in their effort to get duties imposed.

- b. They are quite a small sized company and are finding it difficult to meet the elaborate requirements of the government and find the entire process quite time consuming. In view of the time and process that was being taken, they are afraid of losing their customers.

14. The Authority notes that the Rule 14(a) of the Anti-Dumping Rules read as under:

“Rule 14. Termination of investigation. - The designated authority shall, by issue of a public notice, terminate an investigation immediately if –

(a) it receives a request in writing for doing so from or on behalf of the domestic industry affected, at whose instance the investigation was initiated;”

15. The Authority, however, notes that the reason cited by the domestic industry for termination of the petition appears to have little merit as the anti-dumping action does not seek to hurt the interests of the consumers in India. It only seeks to ensure that there is no unfair trade whereby the domestic industry is placed at a position of disadvantage in India’s domestic market. Further, the procedures followed are simple and designed to come to a factual conclusion relating to the various claims of the concerned interested parties, including the domestic industry.

16. Regarding the time taken, the effort of the Authority is to complete investigations in the shortest period taken by any national trade defence agency. In this specific case, the Authority has only fast-tracked the investigation process to complete it within eight months from the date of initiation, recognising that the petitioners are from the small scale sector and therefore more susceptible to any possible unfair trade. The Authority notes that the petitioners have requested the withdrawal of their petition at a stage where the Authority sought its convenience for a physical verification of the information/ data submitted by it, at its factory premises, it is not clear to the Authority why such a verification should be considered onerous by the petitioners.

17. However, the Authority notes that Rule 14(a) of the Anti-Dumping Rules does not grant any discretion to the Authority in the matter of termination of investigation, once the domestic industry files a written request for termination of the investigation.

18. Accordingly, in view of the request of the three petitioners and the provision in Rule 14(a) of the Anti-Dumping Rules, the Authority hereby terminates the present anti-dumping investigation concerning imports of “Meta-Phenylene Diamene-4-Sulphonic Acid (MPDSA)” originating in or exported from People’s Republic of China initiated on 24/01/2018 vide Notification No.6/35/2017-DGAD.

(Sunil Kumar)
Additional Secretary & Designated Authority