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No. 14/20/2015-DGAD Government of India
Ministry of Commerce & Industry
(Directorate General of Anti-Dumping & Allied Duties)
4th Floor, Jeewan Tara Building,
Parliament Street, New Delhi

Dated: 7th December, 2015

INITIATION NOTIFICATION

Subject: Anti Dumping investigation concerning imports of ‘Linear Alkyl Benzene’ originating in or exported from Iran, Qatar and China PR

No. 14/20/2015-DGAD: Whereas M/s Tamilnadu Petroproducts Ltd. and M/s. Nirma Ltd (hereinafter as "petitioners") has filed an application before the Designated Authority (hereinafter as "the Authority") in accordance with the Customs Tariff Act, 1975 as amended from time to time (hereinafter 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 as "the Rules") for initiation of anti-dumping investigation and imposition of anti dumping duty on the imports of ‘Linear Alkyl Benzene’ (hereinafter as "the subject goods") originating in or exported from Iran, Qatar, Saudi Arabia and China PR.

2. And whereas, the Authority prima facie finds that sufficient evidence of dumping of the subject goods, originating in or exported from Iran, Qatar and China PR (hereinafter as "the subject countries"), ‘injury’ to the domestic industry and causal link between the alleged dumping and ‘injury’ exist 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 antidumping duty, which if levied, would be adequate to remove the ‘injury’ to the domestic industry. The Authority found negative injury margin on imports of subject goods from Saudi Arabia for the period of investigation. Saudi Arabia is therefore not being considered as a subject country in the present investigation.

Domestic Industry & Standing

3. The application has been filed by M/s Tamilnadu Petroproducts Ltd. and M/s Nirma Ltd on behalf of the domestic producers of the product under consideration. The applicants have not imported the product under consideration from the subject countries in the period of investigation. There are two other domestic producers of the subject

goods, namely, M/s. Reliance Industries Ltd and M/s Indian Oil Corporation Limited who have supported the application. The production of the applicant accounts for a major proportion of the total domestic production of the subject goods. The applicant companies therefore constitute "domestic industry" within the meaning of Rule 2 (b) and thus satisfy the criteria of standing in terms of Rule 5 (3) of the Rules supra.

Product under consideration

4. The product under consideration for the purpose of present investigation is "Linear Alkyl Benzene" originating in or exported from Iran, Qatar and China PR

5. The product under consideration includes Mixed Alkyl Benzenes. Mixed Alkyl Naphthalenes are excluded. The product under consideration is generally known as 'Linear Alkyl Benzene' (for short "LAB") in commercial market parlance.

6. Commercially available LAB is a mixture of substances composed of a benzene ring attached to a single chain of carbon atoms. Various isomers are possible since the benzene ring may be positioned at all carbons of the alkyl chain except the terminal carbon. The number of carbons per alkyl chain ranges for any given product from ten to sixteen.

7. Product under consideration falls under sub-heading No. 38170011 of Schedule I of the Customs Tariff Act 1975. The customs classification is indicative only and in no way it is binding upon the product scope.

Like Article

8. The petitioners have claimed that the subject goods, which are being dumped into India, are identical to the goods produced by the domestic industry. There are no differences in the physical characteristics, manufacturing process & technology, functions & uses, product specifications, pricing, distribution & marketing and tariff classification of the dumped imports and the domestically produced subject goods. The two are technically and commercially substitutable and hence should be treated as 'like article' under the Rules.

Subject Countries

9. The subject countries in the present investigation are Iran, Qatar and China PR

Normal Value

China

10. Petitioners have claimed that China PR should be treated as a nonmarket economy and determined normal value in accordance with Para 7 and 8 of Annexure I of the Rules. The petitioners have claimed normal value for China PR on the basis of cost of production in India, duly adjusted. In terms of Para 8 in Annexure 1 to the Rules, it is presumed that the producers of the subject goods in China PR are operating under non market economy conditions. In view of the above non-market economy presumption and subject to rebuttal of the same by the responding exporters from china PR, normal value of the subject goods in China PR has been estimated in terms of Para 7 of Annexure 1 to the Rules.

Iran and Qatar

11. Petitioners have claimed that efforts were made to get information about the price at which these items are being sold in the domestic markets of the subject countries. However, no information on the prices was available publicly. The petitioner has, therefore, constructed the normal value on the basis of the estimates of cost of production duly adjusted for the subject countries.

Export Price

12. The petitioners have determined the export price based on DGCI&S transaction wise import data, considering weighted average of the imports prices during the proposed investigation period. The export prices have been further adjusted for ocean freight, marine insurance, bank charges, commission, port and inland freight expenses to evaluate ex- factory export price.

Dumping Margin

13. The normal values have been compared with the ex- factory export price, which shows a considerable dumping margin in respect of the subject goods exported by the subject countries to justify the initiation of an anti- dumping investigation.

Injury and Causal Link

14. The petitioners have claimed that domestic industry has suffered material injury from dumped imports to justify the initiation of an anti-dumping investigation against the subject countries. The petitioners claim that the imports from the subject countries have increased in absolute terms and in relation to the production and consumption in India during the injury period. These imports are undercutting the domestic prices and thereafter have suppressed and depressed the domestic prices

to a significant level. Further, the performance of the domestic industry has also deteriorated in terms of profits, return on capital employed and cash profits, and is therefore suffering financial losses, cash losses and negative return on investments.

Period of Investigation (POI)

15. Domestic Industry has proposed the period of investigation for the present investigation is from 1st April, 2014 to 30th March 2015 (12 months). However the authority has extended the same by 3 months as 01.4.2014 to 30.6.2015 so as to undertake analysis on the most recent data. The injury investigation period will however cover the periods Apr'11-Mar'12, Apr'12-Mar'13, Apr'13-Mar'14 and the period of investigation.

Submission of information

16. The known exporters in the subject countries, the Government of the subject countries through their embassy in India, the importers and users in India known to be concerned with the product are being addressed separately to submit relevant information in the form and manner prescribed and to make their views known to the Authority at the following address:

The Designated Authority,
Directorate General of Anti-Dumping & Allied Duties,
Ministry of Commerce & Industry, Department of Commerce
4th Floor, Jeevan Tara Building, 5 Parliament Street,
New Delhi -110001.

17. 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.

Time limit

18. Any information relating to the present investigation and any request for hearing 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 publication of this 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 Anti-dumping Rules.

19. 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 regarding the need to

continue or otherwise the Antidumping measures within 40 days from the date of initiation of this investigation.

Submission of Information on Non-Confidential basis

20. In case confidentiality is claimed on any part of the questionnaire's response/submissions, the same must be submitted in two separate sets (a) marked as Confidential (with title, index, number of pages, etc.) and (b) other set marked as Non Confidential (with title, index, number of pages, etc.). All the information supplied must be clearly marked as either "confidential" or "non-confidential" at the top of each page.

21. Information supplied without any confidential marking shall be treated as non-confidential and the Authority shall be at liberty to allow the other interested parties to inspect any such non-confidential information. Two (2) copies of the confidential version and five (05) copies of the non confidential version must be submitted by all the interested parties.

22. For information claimed as confidential; 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 and/or why summarization of such information is not possible.

23. The non-confidential version is required to be a replica of the confidential version with the confidential information preferably indexed or blanked out /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, parties submitting the confidential information may indicate that such information is not susceptible to summarization; a statement of reasons why summarization is not possible must be provided to the satisfaction of the Authority.

24. 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 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.

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

Inspection of Public File

26. In terms of rule 6(7) any interested party may inspect the public file containing non-confidential versions of the evidence submitted by other interested parties.

Non-cooperation

27. In case any interested party refuses access to and otherwise does not provide necessary information within a reasonable period, or significantly impedes the investigation, the Authority may declare such interested party as non-cooperative and 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
Designated Authority