

**No.14/4/2012-DGAD**  
**Government of India**  
**Ministry of Commerce & Industry**  
**Department of Commerce**  
**Directorate General of Anti Dumping & Allied Duties**  
**Udyog Bhawan, New Delhi**

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Dated the 19<sup>th</sup> June 2012

**INITIATION NOTIFICATION**

**Subject: Initiation of anti-dumping investigation concerning imports of ‘Meta Phenylene Diamine’ (MPDA) originating in or exported from China PR.**

**No.14/4/2012-DGAD:** : Whereas M/s Aarti Industry Ltd., Mumbai (hereinafter referred to as the Applicant ) has filed an application before the Designated Authority (hereinafter referred to as the Authority), in accordance with the Customs Tariff Act, 1975, as amended from time to time, (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 the AD Rules), alleging dumping of ‘*Meta Phenylene Diamine*’ (MPDA) (hereinafter also referred to as the subject goods) originating in or exported from China PR (hereinafter also referred to as the subject country) and has requested for initiation of anti- dumping investigation and levy of anti dumping measures.

**Product under consideration**

2. The product under consideration in the present application is ‘Meta Phenylene Diamine’ (MPDA). The product under consideration is also referred to as MPDA. Commercially, it is also called MPD or MPDA. Under normal (room) conditions, it is a colourless or white colour solid, which tends to turn red, purple (dark colour) in air, on storage. Meta Phenylene Diamine has two amino groups attached to a Benzene ring, at Meta position, with respect to each other. It is an isomer of o- Phenylene Diamine (Ortho Phenylene Diamine) and p- Phenylene Diamine (Para Phenylene Diamine). There are no known grades of the product under consideration. Meta Phenylene Diamine functions as a chemical intermediate.

MPDA is a chemical intermediate used for manufacturing dyes, engineering polymer, aramid fiber and in photography & medical applications.

3. ‘Meta Phenylene Diamine’ is classified under Chapter 29 at subheading no. 29215120 in the Customs Tariff Act . However, Customs classifications are indicative only and in no way binding on the scope of this investigation.

**Domestic Like Article**

4. The applicant has claimed that the subject goods, which are being dumped into India, are identical to the goods produced by the domestic industry. There are no known difference either in the technical specifications, quality, functions or end-uses 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 AD Rules.

5. Thus, the subject goods produced by the Applicant are being treated as like article to the product under consideration imported from the subject country within the meaning of the AD Rules for the purpose of this investigation.

### **Domestic industry & 'Standing'**

6. The Application has been filed by M/s Aarti Industry Ltd., Mumbai on behalf of the domestic industry. It has been claimed that M/s Aarti Industry Ltd. is the sole producer of the subject goods in India. The application, therefore, satisfies the requirements of Rule 2(b) and Rule 5(3) of the AD Rules. Thus, the Authority has determined that the application satisfies the requirements of Rule 2(b) and Rule 5(3) of the AD Rules and the Applicant is being treated as 'domestic industry' within the meaning of Rule 2(b) of the AD Rules.

### **Country involved**

7. The country involved in the present investigation is China PR (hereinafter also referred to as the subject country).

### **Normal value**

8. The Applicant has claimed that China PR should be treated as a non-market economy country. The applicant has further claimed that normal value could not be determined by them on the basis of price or constructed value in a market economy third country for the reason that the relevant information is not publicly available. It has been further stated that there are no other known producers of the subject goods except in China PR, USA, Canada and India. In the absence of information with regards to cost or price of the product under consideration in USA or Canada; for the purposes of this initiation, the normal value claims has been estimated on the basis of cost of production method based on the price payable in India, duly adjusted.

9. The Authority has prima-facie considered the normal value of subject goods in subject country on the basis of constructed value, for the purpose of the initiation of this investigation.

### **Export price**

10. The applicant has claimed export prices on the basis of data obtained from DGCI&S. The DGCI&S data has been taken into consideration for the latest available period that is till September 2011. Price adjustments have been prima facie allowed on account of ocean freight, marine insurance, commission, port expenses and bank charges to arrive at the net ex-factory export price.

### **Dumping margin**

11. Based on the normal value and export price so determined, it is found that the normal value of the subject goods in the subject country is significantly higher than the net export

prices, prima-facie, indicating that the subject goods originating in or exported from the subject country are being dumped, to justify initiation of an antidumping investigation.

### **'Injury' and Causal link**

12. The applicant has furnished evidence regarding the 'injury' having taken place as a result of the alleged dumping in the form of increased volume of dumped imports, price undercutting, price suppression and decline in profitability, return on capital employed and cash flow for the domestic industry.

13. There is sufficient evidence of the 'injury' being suffered by the domestic industry caused by the dumped imports from the subject country to justify initiation of an antidumping investigation in terms of the AD Rules.

### **Initiation of Anti Dumping Investigation**

14. In view of the foregoing, the Authority finds that sufficient evidence of dumping of the subject goods from the subject country, 'injury' to the domestic industry and causal link between the dumping and 'injury' exists to justify initiation of an anti-dumping investigation. Accordingly, the Authority hereby initiates an investigation into the alleged dumping, and consequent 'injury' to the domestic industry in terms of the Rules 5 of the AD Rules, to determine the existence, degree and effect of alleged dumping and to recommend the amount of anti-dumping measure, which, if levied, would be adequate to remove the injury to the domestic industry.

### **Period of investigation**

15. The period of investigation considered in the present investigation is **1<sup>st</sup> October 2010 to 31<sup>st</sup> December 2011** (15 Months). However, the injury analysis would cover the periods April 2008-March 2009, April 2009-March 2010, April 2010-March 2011 and the POI.

### **Submission of information**

16. The known exporters in the subject country and its Government through their Embassy in India, importers and users in India known to be concerned and the domestic industry are being informed separately to enable them to file all information relevant in the form and manner prescribed. Any other interested party may also make its submissions relevant to the investigation within the time-limit set out below and write to:

**The Designated Authority,  
Directorate General of Anti-Dumping & Allied Duties,  
Ministry of Commerce & Industry,  
Department of Commerce  
Room No.240, Udyog Bhawan,  
New Delhi -110107.Phone: 00-91-11-23061377/23063418(fax)**

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 AD 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's responses and offer their comments to the domestic industry's application regarding the need to continue or otherwise the AD measures within 40 days from the date of initiation of this investigation.

## **Submission of information on 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 mark 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 each of the confidential version and the non-confidential version must be submitted.

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, party submitting the confidential information may indicate that such information is not susceptible of summary; 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 record its findings on the basis of the facts available to it and make such recommendations to the Central Governments as deemed fit.

*(Vijaylaxmi Joshi)*  
**The Designated Authority**