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F. No.07/05/2022-DGTR
Government of India
Ministry of Commerce & Industry
Department of Commerce
(Directorate General of Trade Remedies)
4th Floor, Jeevan Tara Building, 5, Parliament Street, New Delhi — 110001

Dated: 17th March, 2022

INITIATION NOTIFICATION

Subject: Initiation of anti-circumvention investigation concerning alleged circumvention of countervailing duty imposed on imports of “Saccharin” from China PR

1. M/s Swati Petro Products Private Limited (hereinafter referred to as the "Applicant") has filed an application before the Designated Authority (hereinafter also referred to as the "Authority"), as domestic industry, in accordance with the Customs Tariff Act, 1975 as amended from time to time (hereinafter also referred as the " Act") and the Customs Tariff (Identification, Assessment and Collection of Countervailing Duty on Subsidized Articles and for Determination of Injury) Rules, 1995, as amended from time to time (hereinafter also referred as the "Rules"), contending that these countervailing duties imposed on imports “Saccharin” (hereinafter also referred to as "product under consideration" or "PUC" or "subject goods"), originating in or exported from China PR (hereinafter also referred to as the "subject country") are being circumvented by way of imports of “Saccharin” exported from Thailand (hereinafter also referred to as "Product Under Investigation" or "PUI").

A. Background

2. The Designated Authority had recommended countervailing duty on imports of “Saccharin” from China vide Final finding F. No. 6/18/2018- DGAD dated 19th June, 2019, which was notified by Notification No. 2/2019-Customs (CVD) dated 30th August, 2019.

B. Product under consideration (PUC)

3. The products under consideration is "Saccharin". The product under consideration defined in the original Countervailing Duty/ Anti-subsidy investigation was as under:

“The product under consideration in the present investigation is “Saccharin in all its forms”. “Saccharin is a non-nutritive sweetener and considered to be low calorie substitute for cane sugar. Primarily there are two types of Saccharin i.e. soluble and insoluble. In market parlance soluble saccharin is called sodium saccharin whereas insoluble saccharin is called saccharin or saccharin acid. Saccharin is produced in two physical forms, viz. granular and powder. Sodium saccharin in granular form is used in

situations where saccharin will be dissolved, the powder form which has been grounded and spray dried is used in dry mixes and pharmaceuticals. It is slightly soluble in water. Insoluble form of saccharin is used in many pharmaceutical and medical applications. Saccharin is used in a variety of industry such as food and beverage, personal care products, table top sweeteners, electroplating brighteners, pharmaceuticals, etc. All forms of Saccharin are within the scope of the present investigation.”

4. The subject goods are classified under Chapter 29 of the Customs Tariff Act, 1975 under the Sub-heading 29251100.

C. Product under Investigation [PUI]

5. The product under investigation which are allegedly circumventing the countervailing duty in force on imports of product under consideration from China PR is “Saccharin” exported from Thailand also referred to as "Product under Investigation" or "PUI". PUI is classified under subheading 29251100 of the Customs Tariff Act. However, customs classifications are indicative only and in no way binding
6. The application has been filed by M/s Swati Petro Products Private Limited who were the domestic industry in the original investigation. M/s Swati Petro Products Private Limited is neither related to an importer in India nor to any exporter in China, Thailand. Further, the applicant has not imported the PUC or PUI during the period of investigation.

D. Existing Measures

7. The Designated Authority recommended imposition of countervailing duty on imports of Saccharine from China. Ministry of Finance imposed the same vide Notification No. 2/2019-Customs (CVD) dated 30th August, 2019. The existing measure on PUC is in force till 29th July 2024.

E. Grounds for Alleged Circumvention and undermining remedial effect:

8. The application for anti-circumvention investigation has been filed seeking extension of existing countervailing duty levied on PUC vide Notification No. 2/2019-Customs (ADD) dated 30th August, 2019; to PUI, from Thailand, allegedly circumventing the existing countervailing duty. The applicant has furnished reasons/ evidence for seeking anticircumvention investigation which includes:
 - a) Non-existence of any known producers of “Saccharin” in Thailand undertaking full-fledged production activities. Exports of “Saccharin” consigned from Thailand to India are substantially manufactured in China claiming the same as goods originating in Thailand. Exports of the product from Thailand allegedly constitutes circumvention of CVD in force on imports from China.
 - b) Change in pattern of trade whereby imports from China have declined and imports from Thailand have increased significantly.
 - c) The imports of PUI are prima facie subsidised and are undercutting the prices of the domestic industry.

- d) Low demand of Saccharin in Thailand and exports from Thailand of PUI exist on account of imports of PUI from China.
9. The applicant has requested retrospective imposition of countervailing duty on import of circumventing products from Thailand from the date of initiation of investigation.
10. The Authority on the basis of prima facie evidence provided by the Applicant notes that exports of “Saccharin” consigned from Thailand are undermining the remedial effects of the existing countervailing duty measure imposed on imports of PUC from China PR.

F. Initiation

11. On the basis of the application filed by the applicant in the form and manner prescribed, contending circumvention of existing countervailing duty measure imposed on imports of PUC from China PR by imports of PUI from Thailand and having satisfied itself on the change in pattern of trade undermining the remedial effect of the existing countervailing duty measure, the Authority hereby initiates an Anti-Circumvention investigation in accordance with Section 9(1)(i) of the Act and Rules 25 & 26 of the CVD Rules to consider extension of the existing countervailing duty on the imports of PUC imported from China to the PUI imported from Thailand from the date of initiation of this investigation in accordance with the Rule 27 (3) of the Rules. The Authority recommends provisional assessment on all imports of the PUI i.e. “Saccharin” from Thailand till the completion of this review.

G. Period of Investigation

12. The applicant has proposed the period of investigation (POI) for the present investigation as April 2021 – December 2021 (9 Months), However, the Authority has considered the POI as April 2021 to 31st March 2022 (twelve months). The injury period will cover the periods April 2018 - March 2019, April 2019 March 2020, April 2020 - March 2021 and the POI.

H. Subject countries

13. The subject country involved in circumvention are Thailand.

I. Submission of Information

14. In view of the special circumstances arising out of COVID-19 pandemic, all communication should be sent to the Designated Authority via email at email address adg11-dgtr@gov.in, dd12-dgtr@gov.in, and dd16-dgtr@gov.in. It should be ensured that the narrative part of the submission is in searchable PDF/ MS Word format and data files are in MS Excel format.
15. The known exporters, their Government through their Embassy in India, the importers and users in India known to be concerned with the subject goods and the domestic industry are being informed separately to enable them to file all the relevant information in the form and manner prescribed within the time-limit set out below.
16. Any other interested party may also make its submissions relevant to the investigation in the form and manner prescribed within the time-limit set out below.

17. Any party making any confidential submission before the Authority is required to make a non-confidential version of the same available to the other parties.

J. Time Limit

18. Any information relating to the present investigation should be sent to the Designated Authority via email at the email addresses adg11-dgtr@gov.in, dd12-dgtr@gov.in, and dd16-dgtr@gov.in within 37 days from the date of receipt of the notice as per as per Rule 7(4) of the Rules. 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 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 within the above time limit.
20. The interested parties are further advised to keep a regular watch on the official website of DGTR i.e. www.dgtr.gov.in for any updated information with respect to this investigation.

K. Submission of Information on Confidential basis

21. Any party making any confidential submission or providing information on confidential basis before the Authority, is required to simultaneously submit a non-confidential version of the same in terms of Rule 8(2) of the Rules and the Trade Notices issued in this regard. Failure to adhere to the above may lead to rejection of the response / submissions.
22. The parties making any submission (including Appendices/Annexures attached thereto), before the Authority including questionnaire response, are required to file Confidential and Non-Confidential versions separately.
23. 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.
24. 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.
25. 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.

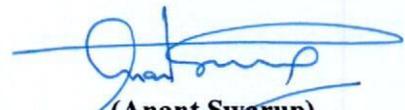
26. The Authority may accept or reject the request for confidentiality on examination of the nature of the information submitted. If the Authority is satisfied that the request for confidentiality is not warranted or if the supplier of the information is either unwilling to make the information public or to authorize its disclosure in generalized or summary form, it may disregard such information.
27. 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.
28. 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.

M. Inspection of Public File

29. In terms of Rule 7(7), any interested party may inspect the public file containing nonconfidential versions of the evidence submitted by other interested parties. The modality of maintaining public file in electronic mode is being worked out.

N. Non-cooperation

30. In case where an 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.


(Anant Swarup)
Designated Authority