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Government of India
Ministry of Commerce & Industry
Department of Commerce
(Directorate General of Anti dumping & Allied Duties)

Dated the 11th February, 2010

Initiation Notification
(Mid-term Review)

Subject: Initiation of Mid-term Review regarding anti dumping duty imposed on imports of Maleic Anhydride (MAN) originating in or exported from the China PR, Chinese Taipei and Indonesia.

No. 15/11/2009-DGAD – Whereas having regard to the Customs Tariff Act, 1975 as amended and thereafter and the Customs Tariff (Identification, Assessment and Collection of Duty or Additional Duty on dumped Articles and for Determination of Injury) Rules, 1995 (hereinafter referred to as AD Rules), vide Notification Number 14/3/2007-DGAD dated 22nd August, 2008 the Designated Authority (herein after referred to as the Authority) notified its final findings recommending definitive anti dumping duty on imports of Maleic Anhydride (MAN) (hereinafter referred to as subject goods) originating in or exported from China PR, Chinese Taipei and Indonesia (hereinafter referred to as subject countries).

And whereas definitive anti dumping duty was imposed on the subject goods vide Customs Notification No.105/2008-Customs dated 18th September, 2008.

2. Product under Consideration

The product under consideration involved in the original investigation and also in the present review application is Maleic Anhydride(MAN) originating in or exported from the China PR, Chinese Taipei and Indonesia .

The product under consideration is 'Maleic Anhydride (MAN) (also referred to as subject goods). MAN is an organic acid anhydride (C₂H₄O₃), generally available in pillow shaped briquette form or in molten form. Both forms are considered within the product under consideration in the investigation. MAN is used to manufacture a wide range of products like unsaturated polyester resins, alkyd resins, paper sizing chemicals, insecticides and fine chemicals. MAN is classified under ITC (HC) subheading 29171400.

However, the customs classification is indicative only and is in no way binding on the scope of present investigation.

3. Initiation

The Customs Tariff (Amendment) Act 1995 and the AD Rules made there under require the Authority to review from time to time the need for continuance of anti dumping duty. In terms of the above provisions, M/s Tirumalai Chemicals Ltd (TCL), Ranipet and other interested parties namely M/s. Polyester Resin Manufacturer's Association and Indian Plasticizers Manufacturers Association have submitted requests for mid-term review of the anti-dumping duties imposed vide Customs Notification No. 105/2008 dated 18th September, 2008 in respect of the import of the subject goods Maleic Anhydride(MAN) originating in or exported from the China PR, Chinese Taipei and Indonesia.

In view of the above circumstances, the Designated Authority considers that the mid-term review of the anti dumping duty earlier recommended would be appropriate at this stage under the provision of Rule 23 of AD Rules and Section 9A (5) of the Customs Tariff (Amendment) Act, 1995 as amended.

4. Countries involved

The countries involved in the present investigations are China PR, Chinese Taipei and Indonesia.

5. Grounds for Review

M/s Tirumalai Chemicals Ltd (TCL), Ranipet, the domestic industry has submitted an application for mid-term review of the anti-dumping duties imposed vide Customs Notification No. 105/2008 dated 18th September, 2008 in respect of the import of the subject goods Maleic Anhydride(MAN) originating in or exported from the China PR, Chinese Taipei and Indonesia. It has been stated that due to lack of protection from dumped imports, TCL (M/s. Thirumalai Chemicals Ltd.) was forced to close their total operations before the duty could be imposed. It is stated that the company is producing Maleic anhydride in their plant. The company was forced to shut its operations due to very high cost of production and due to huge price undercutting due to cheaper imports. The company has provided the import data for earlier years (2005-06,2006-07 and 2007-08) based on DGCI&S and for the proposed POI 2008-09 based on IBIS. The support letter from another producer namely M/s Mysore Petrochemicals Ltd has also been provided and it has been stated that the company will provide information upon the initiation. The company has requested for initiation of midterm review in view of these changed circumstances.

M/s. Polyester Resin Manufacturer's Association, interested party of this product, have requested to initiate a mid-term review because of changed circumstances as M/s TCL have stopped production of Maleic Anhydride and there is no domestic industry. They have submitted copies of import data based on IBIS for the period Jan-Oct. 2009 to support their claim. It is submitted that based on the data available from IBIS, the DI(TCL) have directly or through their agents imported large quantity of the subject

goods from their own plant in Malaysia and through M/s. Ransom PTE Limited, Singapore which is their own front. It is contended that there is no operational plant in Singapore of this product which clearly indicates that these goods are of Malaysia origin and are merely routed via Singapore. Because of such imports from Malaysia, TCL have shut down their production facilities in India. It is preyed that as there is no domestic production of the subject merchandise in India, the very rational of imposition of anti-dumping duties-injury caused to domestic industry because of dumped imports-stands destroyed.

M/s Indian Plasticizers Manufacturers Association, interested party of this product have also requested for a review of the anti-dumping duty in the aforesaid case. It is submitted that the production shown by M/s. TCL for the year 2007-08 and 2008-09 is on account of their own imports which can be verified from import data. In fact, TCL have abandoned the production of Maleic Anhydride. It has been stated in their Annual Report of 2008-09 that they have discontinued Maleic Anhydride production and their own captive requirement of this product is being catered through imports since imports are more economical and viable than producing. It is stated that TCL is importing this product through their associates namely BMG Chemicals Pvt. Ltd. They have submitted the import data of Maleic Anhydride from August-November, 2009 and the relevant portion of their Annual Report of 2008-09.

In view of the above circumstances, a review of anti dumping measures in force is necessary.

6. Procedure

Having regard to the information provided by the applicants indicating changed circumstances necessitating a review of the measure in force, the Designated authority now considers that a mid-term review of the final findings notified vide No. 14/03/2007-DGAD dated 22.08.2008 published in the Gazette of India, Extraordinary Part I, Section I and the Definitive anti dumping duty imposed by Customs Notification No.105/2008 dated 18th September, 2008 is appropriate in view of the changed circumstances, in terms of the provision of Section 9(A) of Customs Tariff (Amendment) Act 1995 read with Rule 23 supra. The review covers all aspects of Notification No. 14/03/2007-DGAD dated 22.08.2008.

7. Period of Investigation

The Period of Investigation (POI) for the purpose of the present mid-term review is from April 2008 to September,2009 (18 months). However, injury analysis shall cover the years 2005-06, 2006-07, 2007-08 & POI.

8. Submission of Information

The exporters in subject country, their government through their Embassy in India/representatives, the importers and users in India known to be concerned and the

domestic industry are being addressed separately 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 & Allied Duties,
Ministry of Commerce & Industry,
Department of Commerce
Room No.240,
Udyog Bhavan,
New Delhi-110107.**

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:

9. Time Limit

Any information relating to the present review 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 this review notification. If no information is received within the prescribed time limit or the information received is incomplete, the Designated Authority may record its findings on the basis of the facts available on record in accordance with the AD Rules.

10. Inspection of Public File

In terms of Rules 6(7), any interested party may inspect the public file containing non-confidential version of the evidence submitted by other interested parties. 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 Governments as deemed fit.

(P.K.Chaudhery)
The Designated Authority