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Government of India  
Ministry of Commerce & Industry  
Department of Commerce  
Directorate General of Anti-Dumping & Allied Duties  
Udyog Bhawan

New Delhi, the 3<sup>rd</sup> September, 2008

## INITIATION NOTIFICATION

(Sunset Review)

**Subject : Initiation of Sunset Review of anti dumping duty imposed against import of Chloroquine Phosphate originating in or exported from China PR.**

No.15/22/2008-DGAD – Whereas, the Designated Authority having regard to the Customs Tariff Act, 1975 as amended in 1995 (hereinafter referred to as the Act) 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) recommended imposition of provisional duty vide notification No.14/3/2003-DGAD dated 6.11.2003 and such provisional duty was imposed by the Government of India vide Notification No.177/2003-Customs dated 15.12.2003. The Authority issued its final findings recommending imposition of definitive anti dumping duty on imports of Chloroquine Phosphate (hereinafter referred to as subject goods) originating in or exported from China PR, vide notification Number 14/3/2003-DGAD dated 15 July 2004 and such definitive duty was imposed by the Govt. Of India vide customs notification No.84/2004-Customs dated 30th August, 2004.

### **2. Request for Review and Initiation**

AND WHEREAS in terms of the Act and Rules referred to above the anti dumping duty imposed shall cease to have effect on expiry of five years from the date of such imposition unless the Designated Authority in a review determines that expiry of the duty shall lead to continuation or recurrence of dumping and injury to the domestic industry.

AND WHEREAS in terms of the above provisions, the domestic industry i.e. Ipca Laboratories Ltd., Mumbai approached the Designated Authority with an application requesting for such a review. The Authority considers that initiation of Sunset Review

proceedings for the anti dumping duty in force would be appropriate to examine whether the expiry of duty is likely to lead to continuation or recurrence of dumping and injury.

### **3. Grounds for review**

The applicant for the review has submitted that continuation of the anti dumping duties in force is warranted as expiry of the measures is likely to result in continuation or recurrence of dumping and injury to the domestic industry. The information as furnished by the applicant shows that financial performance of domestic industry (applicant) has improved during the injury period. The company which was incurring losses have turned to profits in the POI.

### **4. Product under consideration**

The product under consideration in the present petition is Chloroquine Phosphate. Chloroquine phosphate is an organic chemical and primarily used as drug for malaria. It is a white or almost white crystalline powder, hygroscopic, freely soluble in water, slightly soluble in alcohol, ether and methanol. It contains not less than 98.5% and not more than equivalent to 101.0% N4(7-chloroquinolin-4-yl)-N1, N1-diethylpentane-1,4-diaminebis(di-hydrogen phosphate) calculated with reference to the anhydrous substance.

Chloroquine Phosphate is classified under Customs sub-heading no.293921 of chapter 29 of the Customs Tariff act, 1975 and ITC (HS) code 29392140. The classification is however indicative only and in no way binding on the scope of the present investigations.

### **5. Normal value in the country of export**

The applicants have submitted that China PR continues as a non market economy country and have been treated so in several jurisdictions, including this Authority in all investigations concerning this country subject to rebuttal of the presumption by individual exporters and therefore should be treated so in terms of para 8 of the annexure i to the Rules. The applicants have also brought to the notice of the Authority that India being the major consumer of the subject goods in the world and China being the major producer of the subject goods, there is no analogous country for determination of normal value for the subject country in terms of first proviso of para 7 of annexure i and therefore the normal value for the subject country should be determined in terms of the second proviso of the said rules.

In terms of the above provisions the government of the exporting country, exporters and producers from the subject country may file separate questionnaire response rebutting the above presumption of non market economy status for determination of normal value in the subject country.

## **6. Procedure**

**a) Countries involved:** the country involved in the present review is the Peoples Republic of China.

**b) Period of investigation:** the period of investigation for the purpose of the present investigations is 1st April 2007 to 31st March 2008. The injury investigation period would however cover the period 2004-05, 2005-06, 2006-07 and the POI.

c) The investigation will determine whether the expiry of the measure would be likely to lead to a continuation or recurrence of dumping and injury and the quantum of duty required for offsetting dumping and injury.

d) The review will cover all aspects of Notification No.14/3/2003-DGAD dated 15th July 2004.

e) The provisions of Rules 6 7 8 9 10 11 16 17 18 19 and 20 of the Rule supra shall be mutatis mutandis applicable in this review.

**f) Submission of information** The exporters in the subject country, the governments of the subject country through its embassy in India, the importers and users in India known to be concerned with the product 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 authority at the following address:

**Designated Authority**  
**(Directorate General of Anti Dumping and Allied Duties)**  
**Government of India**  
**Ministry of Commerce & Industry**  
**Department of Commerce**  
**Room No.240, Udyog Bhawan**  
**New Delhi-110 011.**

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.

**g) 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 publication 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 Rules supra.

**h) Submission of information on Non confidential basis** – in terms of rule 6(7) of the Rules the interested parties are required to submit non confidential summary or any confidential information provided to the authority and if in the opinion of the party providing such information such information is not susceptible to summarization a statement of reason thereof is required to be provided. In case where an interested party refuses access to or otherwise does not provide necessary information within a reasonable period, or significantly impede the investigation the Authority may record its findings on the basis of facts available to it and make such recommendations to the central government as deemed fit.

**i) Inspection of public file:** in terms of Rule 6(7) any interested party may inspect the public file containing non confidential version of the evidence submitted by other interested parties.

**j) Use of the facts available:** 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 facts available to it and make such recommendations to the Central Government as deemed fit.

**R. Gopalan**  
**Designated Authority**