

Ministry of Commerce & Industry
Department of Commerce
(Directorate General of Anti-Dumping and Allied Duties)

New Delhi, the 27th December, 2006

Initiation Notification (Sunset Review)

Subject: Initiation of Sunset Review on anti-dumping duty imposed on imports of Flexible Slabstock Polyol (FSP) of molecular weight 3000-4000 originating in or exported from ^{USA, Japan, EU & Singapore.}

No. 15/25/2006-DGAD - Whereas having regard to the Customs Tariff Act, 1975 as amended in 1995 and the Customs Tariff (Identification, Assessment and Collection of Duty or Additional Duty on Dumped Articles and for Determination of Injury) Rules, 1995 (herein after referred to as AD Rules), vide Notification Number 41/1/2001-DGAD dated 19th September 2002, and corrigendum dated 30th September 2002, the Designated Authority (herein after referred to as the Authority) notified its final findings recommending definitive antidumping duty on import of Flexible slabstock polyol (hereinafter referred to as subject goods) originating in or exported from the United States of America, Japan, European Union & Singapore (hereinafter referred to as subject countries).

And whereas definitive antidumping duty was imposed on the subject goods vide Customs Notification dated 31st October 2002.

2. Product Under Consideration

The product involved in the original investigation and this current review is Flexible slabstock polyol, which is a polymer. It is a clear viscous liquid of molecular weight 3000-4000, manufactured by polymerization of propylene oxide and ethylene oxide with a triol chain starter. It is a polyether and transported in tankers or stored in steel drums.

Flexible slabstock polyol is classified under Chapter 39 of the Customs Tariff Act, 1975 and further under 3907.20 as per International Trade Classification. The classification is, however, indicative only and is in no way binding on the scope of the 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. The Designated Authority considers that the sunset review of the anti-dumping duty recommended would be appropriate at this stage under the provision of section 9A (5) of the Customs Tariff (Amendment) Act, 1995 as amended.

M/s. Manali Petrochemicals Ltd., Chennai has filed an application substantiating the need for sunset review of the anti-dumping duty imposed on the subject goods originating in or exported from the subject countries and have requested for continuation and enhancement of the anti-dumping duty imposed on subject goods under the above mentioned notifications for a further period of 5 years.

4. **Country(ies) Involved:**

The countries involved in the present investigations are the USA, Japan, European Union & Singapore.

5. **Grounds for Review**

The applicant has claimed normal value of subject goods in the subject countries on the basis of constructed cost of production after addition for selling, general and administrative expenses and profit margin. The export price has been claimed on the basis of data provided by the applicant from Online Telcom Network Services, Mumbai. Price adjustments have been claimed on account of ocean freight, marine insurance, inland transportation in the country of exports, port handling and port charges, commissions etc. to arrive at the net export price.

For the purpose of initiation, the Authority has prima facie, considered the normal value of the subject goods in the subject country on the basis of constructed cost of production and information on the export price, the adjustments claimed for the subject goods from the subject country as made available by the petitioner.

The request is for continuation and enhancement of the antidumping duties in force and is based on the grounds that dumping has continued in spite of imposition of antidumping duty on import of the subject goods from the subject country. In addition the applicant alleges that the removal of injury was mainly due to the existence of anti-dumping duty and revocation of duty would lead to recurrence of substantial imports at dumped prices from subject countries and would be likely to lead to a recurrence of injury to the domestic industry. The applicant has further alleged likelihood of further injurious dumping if the anti-dumping duty be allowed to lapse, as the current imports may be likely to increase due to existence of unused capacity in the subject country.

6. **Procedure:**

Having decided to review the final findings notified vide No. 41/1/2001-DGAD dated 19/9/2002 and corrigendum of 30/9/2002 and final duty imposed by Notification dated 31/10/2002, the Authority hereby initiates investigations to review whether cessation of antidumping duty is likely to lead to continuation or recurrence of dumping and injury on imports of Flexible slabstock polyol originating in or exported from USA, Japan, European Union & Singapore, in accordance with the Customs Tariff (Amendment) Act, 1995 and AD Rules.

The review covers all aspects of Notification No.41/1/2001-DGAD dated 21/9/2001. M/s. Manali Petrochemicals Ltd., have represented on behalf of the domestic industry in the original investigations also. The Authority proposes to consider the applicants, who constitute 100% of the production of the subject goods in India, as domestic industry in accordance with the Rules supra.

7. **Period of Investigation:**

The period of investigation (POI) for the purpose of the present review is 1st April, 2005 to 30th June, 2006 (15 months). However, injury analysis shall cover the years from 2002-03 to the POI.

8. **Submission of Information:**

The exporters in the subject country, their government through their Embassies/High Commissions 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,
Ministry of Commerce & Industry,
Department of Commerce,
Directorate General of Anti-Dumping & Allied Duties, (DGAD),
Room No. 240, Udyog Bhavan,
New Delhi-110011**

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 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 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 Government as deemed fit.

(Dr. Christy Fernandez)
Designated Authority