

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

Dated the 25th May, 2010

Initiation Notification (MTR)

Subject: Initiation of mid-term anti-dumping review investigation concerning imports of Hydrofluoric Acid originating in or exported from China PR.

No. 15/12/2010-DGAD - Whereas having regard to the Customs Tariff Act, 1975 as amended in 1995 and the Customs Tariff (Identification, Assessment and Collection of Anti Dumping Duty on Dumped Articles and for Determination of Injury) Rules, 1995 (herein after referred to as the Rules), vide notification number 62/1/2001-DGAD dated 26th November 2002, the Designated Authority (hereinafter referred to as the Authority) had notified its final findings recommending definitive antidumping duty on the imports of Hydrofluoric Acid (hereinafter referred to as the subject goods) originating in or exported from China PR (hereinafter referred to as the subject country).

2. And whereas definitive antidumping duty was imposed on the subject goods originating in or exported from the subject country vide Customs Notification no: 10/2003-Customs dated 15th January 2003.

3. And whereas having regard to the Act and the Rules, the Authority had initiated sunset review investigations vide notification No. 4/13/2006-DGAD dated 17th March, 2007 and notified final findings vide notification of even No. dated 25th March, 2008 recommending extension of antidumping duty on imports of Hydrofluoric Acid originating in or exported from China PR.

4. And whereas anti-dumping duty was extended on the subject goods vide Customs Notification no: 54/2008-Customs dated 28th April, 2008.

5. And whereas a petition for mid-term review has been received by the Authority from M/s. Navin Fluorine International Limited, Mumbai substantiating the need for mid-term review of the anti dumping duty earlier imposed on imports of Hydrofluoric Acid originating in or exported from China PR.

Product Under Consideration

6. The product under consideration in the present investigation, as defined in the original investigation, is Hydrofluoric acid of all forms, purities and concentrations originating in or exported from China PR. Hydrofluoric (or HF) Acid could be in the form

of liquid or gas and anhydrous or aqueous/diluted. It is used as a catalyst for gasoline alkylation, in manufacture of inorganic fluorides, fluorinated hydrocarbon compounds, refrigerants, as a pickling agent for descaling stainless strips and high silicon sheets, glass etching, etc. The raw materials used are acid grade fluorspar, sulphuric acid and oleum, which are fed into a pre-reactor at predetermined rates, mixed and converted into a homogeneous mixture and pushed into the HF acid reactor. The resulting HF gas is drawn into a pre-scrubbing tower for washing and then condensed using chilled calcium chloride solution. The liquid is then purified by distillation and the anhydrite by-product is withdrawn separately. HF acid is sold in diluted concentrations ranging from 20% to 70% denoted in the findings as HF - 20% to HF- 70% or as 100% pure anhydrous, i.e., HF -100%.

7. Hydrofluoric Acid is an inorganic chemical classified under Chapter 28 of the Customs Tariff Act under Customs Sub-heading 281111 of the Customs Tariff Act, 1975 and the International Trade Classification. The classification, however, is only indicative and in no way binding on the scope of the present investigation, which being a mid-term review investigation, has its scope limited to the product already identified in the original investigation. The subject goods produced by domestic industry are used interchangeably with those imported from the subject countries, Therefore, the Authority holds that the two are “like articles” within the meaning of the Rules.

Initiation

8. The Customs Tariff (Amendment) Act 1995 and the Anti-dumping Rules made there under require the Authority to review from time to time the need for continued imposition of anti-dumping duty. M/s. Navin Fluorine International Limited has filed an application substantiating the need for mid-term review of the anti-dumping duty earlier imposed on the subject goods originating in or exported from China and have requested for modification in the form and enhancement in the quantum of the anti-dumping duty earlier extended on subject goods under the above mentioned notification. M/s Tanfac Industries Ltd. has supported the application. The Designated Authority considers that the mid-term review of the anti-dumping duty recommended would be appropriate at this stage under the provisions of Rule 23 of the Anti-dumping Rules.

Countries Involved:

9. The country involved in the present investigation is China PR.

Grounds for Review

10. The applicant has claimed that the bench mark form of duty for the product under consideration is not appropriate for the reason that price of the key raw materials vary significantly. The product continues to be imported into India at dumped prices, despite significant increase in the cost of key raw materials. Whereas the cost of production of the product has increased substantially, the Chinese producers have not proportionately increased their prices. Further, since the anti dumping duty is in the form of benchmark duty, the product continues to be imported at a price causing injury to the domestic industry and no anti dumping duty is charged on the imports. The quantum/form of the measure has not been able to address the injuries caused to the domestic

industry. The petitioner has therefore argued that the measure is required to be suitably enhanced/modified from the current reference price form to fixed amount of duty, irrespective of import price. The petitioner has further argued that domestic industry has not been able to improve its performance in spite of the existing anti-dumping duties and the existing measure is no longer sufficient to address injury being caused by continued dumped imports.

Procedure:

11. Having decided to review the final findings notified earlier and consequent anti-dumping duty imposed, the Authority hereby initiates investigations to review the need for continued imposition of anti dumping duty and whether the quantum/form of anti dumping duty is required to be modified in accordance with the Customs Tariff (Amendment) Act, 1995 and AD Rules.

12. The review covers all aspects of Notification No.4/13/2006-DGAD dated 25th March, 2008. M/s. Navin Fluorine International Limited is proposed to be considered as domestic industry in accordance with the Rules supra.

Period of Investigation:

13. The period of investigation for the purpose of the present review is 1st Jan., 2009 to 31st Dec., 2009 (12 months). However, injury analysis shall cover the years 2006-07, 2007-08, 2008-09 and the POI.

Submission of Information:

14. The known exporters in the 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,
Ministry of Commerce & Industry,
Department of Commerce,
Directorate General of Anti-Dumping & Allied Duties, (DGAD),
Room No. 243, Udyog Bhavan,
New Delhi-110011**

16. 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:

17. 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 Anti-dumping Rules.

Non-confidential summary:

18. In terms of Rule 6(7) of the Rules, the interested parties are required to submit non-confidential summary of any confidential information provided to the Authority. If in the opinion of the party providing such information, such information is not susceptible to summarization, a statement of reasons thereof is required to be provided.

Inspection of Public File:

19. In terms of Rules 6(7), any interested party may inspect the public file containing non-confidential version of the information submitted by other interested parties.

20. 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.

P. K. Chaudhery
The Designated Authority