

**GOVERNMENT OF INDIA  
MINISTRY OF COMMERCE & INDUSTRY  
DEPARTMENT OF COMMERCE  
(DIRECTORATE GENERAL OF ANTI-DUMPING &  
ALLIED DUTIES)**

**NOTIFICATION**

New Delhi, the, 28th January, 2005.

**Initiation (Mid-term Review)**

**Subject:** Initiation of Mid-term Review of anti-dumping duty imposed on imports of Methylene Chloride originating in or exported from the EU, South Africa and Singapore.

**No. 15/28/2004-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 the Rules), vide Notification Number 17/1/2001-DGAD dated 14th August 2003, the Designated Authority (hereinafter referred to as the Authority) notified its final findings recommending definitive antidumping duty on import of Methylene Chloride (hereinafter referred to as subject goods) originating in or exported from the European Union, South Africa and Singapore (hereinafter referred to as subject countries).

AND WHEREAS definitive antidumping duty was imposed on the subject goods vide Customs Notification No. 49/2003 dated 27th March, 2003.

## **2. Request for Review**

WHEREAS the Rules require the Authority to review from time to time, the need for continued imposition of Anti Dumping Duty and if it is satisfied, on the basis of positive information received by it that there is no justification for continued imposition of such duty, the authority may recommend to the central government for its withdrawal. Notwithstanding the above provision the authority is required to review, on the basis of positive information submitted by any interested party substantiating the need for a review, provided that a reasonable period of time has elapsed since the imposition of the definitive antidumping duty, whether continued

imposition of the duty is necessary to offset dumping, whether the injury would be likely to continue or recur if the duty were removed or varied, or both.

In terms of the above provision one of the exporters from the European Union i.e. M/s Ineos Chlor has filed a request, through the European Commission, for a changed circumstances mid-term review of the antidumping duty in force.

### **3. Grounds for Review**

The applicant claims that the condition of injury to the domestic industry has changed substantially requiring a review of the anti dumping measure in force. It is claimed that in the financial year 2002-03, the production of Methylene Chloride by Gujarat Alkalies and Chemicals Limited was 25481 MT. The applicant claims that though the production has increased only by 1 % from 2002-03 to 2003-04 but sales have increased by 14 % from Rs. 616 million to Rs. 702 million in the same period. The applicant further claims that the installed capacity for Methylene Chloride had since 2002 remained at 23760 MT and utilization has been more than 100 % as production levels had reached 25481 MT in 2002-03 and 25784 in 2003-04, therefore, the domestic industry is producing at its maximum and is not suffering under utilization of the capacity. The applicant has also claimed that the demand for Methylene Chloride in India is approximately 57000 MT/ annum, however, current annual production levels in India for the domestic manufacturers ( Gujarat Alkalies Ltd., Chemplast Sanmar and SRF Ltd.) lie at approximately 30000 MT. In order to meet the domestic demand, the user industry in India is obliged to import Methylene Chloride, in spite of the Anti-dumping duty currently in force. The domestic producers have not increased their capacity in spite of growing domestic consumption, which suggests that there are elements other than alleged dumping which are impeding the domestic industry from expanding their production. The applicant also stated that prices on the market have doubled since the period of investigation. At the time of imposition, prices were in the range of US \$ 270-350/MT, these prices have now increase to US \$ 650/MT and have remained at this level for a considerable period of time. The applicant claims that these high prices would indicate that the domestic industry is not suffering any injury on account of dumping. It has been informed that the average export price to India for Methylene Chloride during 2004 was \$ 655/MT for packed product and \$ 611/ MT for bulk product.

### **4. Initiation**

Having regards to the positive information provided by the applicant indicating changed circumstances necessitating a review of the measure in force, the Designated Authority now considers that a mid-term review of the Anti Dumping Duty is

appropriate in view of the changed circumstances, in terms of the provision of Section 9A (5) of Customs Tariff (Amendment) Act 1995 read with Rule 23 supra.

Having decided to review the final findings notified vide Notification Number 17/1/2001-DGAD dated 14th August 2003, the Authority hereby initiates the investigations in terms of the Rules, to review whether continued imposition of the duty on imports of Methylene Chloride originating in or exported from the European Union, South Africa and Singapore, is necessary to offset dumping, whether the injury would be likely to continue or recur if the duty were removed or varied, or both.

## **5. Product under Consideration**

The product involved in the original investigation and the current review is Methylene Chloride falling under heading No. 29031200 in Chapter 29 of the First Schedule to the said Customs Tariff Act and ITC HS Classification. This classification however, is indicative only and in no way binding on the scope of the present investigation.

## **6. Procedure**

The investigation will determine whether continued imposition of the duty is necessary to offset dumping, whether the injury is likely to continue or recur if the duty were removed or varied, or both.

- i. The review will cover all aspects of Notification 17/1/2001-DGAD dated 14th August 2003.
- ii. The period of investigation for the purpose of this review will be 1st April 2003 to 31st March 2004. However, injury analysis shall cover the years from 2000-01 to 2003-04.
- iii. The countries involved in this investigation are the European Union, South Africa and Singapore.
- iv. 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.

### **6.1 Submission of Information:**

The exporters in subject countries, their governments through their embassies in India, 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 and Allied Duties  
Ministry of Commerce and Industry  
Department of Commerce  
Udyog Bhavan  
New Delhi-110011.  
Fax: 91-11-23014418

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. Any party making confidential submissions before the Authority is required to file a non-confidential version of the same, for placing the same in the public folder for inspection by all other interested parties to the investigation.

**6.2 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.

**6.3 Inspection of Public File:**

In terms of Rules 6(7), any interested party may inspect the public file containing non-confidential version of the submissions made by other interested parties before the Authority. In case 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.

**(Christy Fernandez)**  
Designated Authority