

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

Dated, 4th February 2005

**INITIATION NOTIFICATION**

**Subject:** Initiation of Anti-dumping Investigations concerning import of Pentaerythritol originating in or exported from China PR and Sweden.

**No. 14/16/2004-DGAD.** M/s Kanoria Chemicals and Industries Limited has filed a petition before the Designated Authority (hereinafter referred to as the Authority) in accordance with the Customs Tariff (Amendment) Act, 1995 and Customs Tariff (Identification, Assessment and Collection of Anti-Dumping Duty on Dumped Articles and for Determination of Injury) Rules, 1995 alleging dumping of Pentaerythritol originating in or exported from China and Sweden and has requested for initiation of anti-dumping investigations for levy of anti-dumping duties.

## **1. PRODUCT UNDER CONSIDERATION**

The product under consideration in the present case is Pentaerythritol, an organic compound (also referred to as subject goods hereinafter). The subject goods are classified within Customs subheading 29.05.42 and Indian Trade Classification based on Harmonized System. Investigations are being initiated with respect to product under consideration irrespective of the classification under which they are being imported. Customs classifications are indicative only and in no way binding on the scope of these investigations.

Petitioner has stated that Pentaerythritol can be of technical grade and nitration grade. Both grades are included within the scope of the product under consideration and proposed investigations.

Petitioner has stated that Pentaerythritol is different from Di- Pentaerythritol. Di-Pentaerythritol is not included within the scope of the proposed investigations, is a product priced significantly higher than product under consideration, has limited demand to the extent of approx. 20 MT per annum and falls under ITC classification 2905.42.10. According to the petitioner, even though 2905.42.10 classification is

meant for di-pentaerythritol, petitioner has alleged that imports reported under this classification is largely imports of pentaerythritol.

## **2. DOMESTIC INDUSTRY STANDING**

The petition has been filed by M/s Kanoria Chemicals and Industries Limited. Petitioner claimed that there are three producers of the product under consideration in India. Asian Paints is a producer and largely captive consumer of the product. Perstorp Ageis is another producer of the subject goods in India. As per data presented by the petitioner, significant proportion of the imports were made by Perstorp Ageis from its affiliated producer and exporter in Sweden.

After receipt of the application, the Authority called for opinion of all the known producers of the subject goods in India to determine their support or opposition to the application filed by the petitioner for imposition of Anti dumping duty on imports originating in or exported from China PR and Sweden. After examining the details of Indian production, responses from the known producers in India, and evidence of imports made by Perstorp Ageis from its related producer in Sweden, the Authority considers that Perstorp Ageis is required to be excluded and notes that the production of the petitioner constitutes a major proportion of the Indian production, after excluding Perstorp Ageis production and regardless of whether or not captive production is excluded.

The Authority after examining the above, determines that the petitioner is a major producer of the subject goods in India accounting for a major proportion of the production of the subject goods in India and therefore the petitioner constitutes domestic Industry within the meaning of the rule 2(b) read with 2(d) and it satisfies the criteria of standing to file the petition in terms of Rule 5(3) (a) of the Rules supra.

## **3. COUNTRIES INVOLVED**

The countries involved in the present investigation are the People's Republic of China and Sweden (hereinafter also referred to as subject countries).

## **4. LIKE GOODS**

The petitioner has claimed that goods produced by it are like articles to the goods originating in or exported from subject countries. There is no significant difference in the subject goods produced by the petitioner and those exported from subject countries. Petitioner claims that the two are technically and commercially substitutable. Therefore, for the purpose of present investigation, the goods produced

by the petitioner are being treated as Like Articles of the product imported from the subject countries within the meaning of the Rules, supra.

## **5. NORMAL VALUE**

The Petitioner has claimed the normal value of the subject goods in Sweden considering domestic price in Sweden, price of the like article when exported from Sweden to other countries and estimates of cost of production, after addition for selling, general, administrative costs and profit.

In case of China PR, the petitioner has claimed that China PR should be treated as a non-market economy and normal value should be determined in accordance with Para 7 and 8 of Annexure I of the Anti Dumping Rules. Petitioner has provided evidence of normal value on this basis.

The authority notes that there is sufficient evidence of the normal value claimed for the subject goods in China PR and Sweden.

## **6. EXPORT PRICE**

Petitioner has claimed the export price in case of Sweden based on the import data released by DGCI&S for the latest available period and has supplemented the same with the data provided by the IBIS (International Business Information System) and actual bill of entries relating to clearance of material. In case of China, petitioner has claimed export price based on the data released by the China Customs, even though petitioner has also provided export price as per the latest data released by the DGCI&S, supplemented with the data provided by IBIS. Adjustments have been claimed, wherever applicable, on account of ocean freight, marine insurance, and inland transportation in the country of exports, port handling and port charges to arrive at the export price at ex-factory level. There is sufficient evidence of the export price of the subject goods from the subject countries.

## **7. DUMPING MARGIN**

There is, prima facie, evidence that the Normal Value of the subject goods in the subject countries is significantly higher than the ex-factory export price, indicating, prima facie, that the subject goods are being dumped by exporters from the subject countries.

## **8. INJURY AND CAUSAL LINK**

Petitioner has furnished information on various parameters relating to injury to the domestic industry. Parameters such as increase in the absolute volume of imports from the subject countries, increase in the market share of imports from the subject countries in total imports, increase in imports in relation to production and consumption in India, decline in the import prices from the subject countries, significant decline in sales volumes, selling prices, market share, significant deterioration in profits, cash flow and return on investment, significant price undercutting and underselling, prima facie, indicate collectively and cumulatively that the domestic industry has suffered material injury on account of dumping of subject goods from subject countries. Petitioner has made allegation of threat of material injury also.

## **9. INITIATION OF ANTI DUMPING INVESTIGATIONS**

The Designated Authority, in view of the foregoing paragraphs, initiates anti-dumping investigations into the existence, degree and effect of alleged dumping of the subject goods originating in or exported from the subject countries.

## **10. PERIOD OF INVESTIGATION**

The Period of Investigation for the purpose of the present investigation is 1st Oct., 2003 to 30th Sept., 2004 (12 months).

## **11. SUBMISSION OF INFORMATION**

The exporters in the subject countries and the importers in India known to be concerned with this investigation are being addressed separately to submit relevant information in the form and manner prescribed and to make their views known to the Designated Authority, Directorate General of Anti Dumping & Allied Duties, Ministry of Commerce & Industry, Department of Commerce, Government of India, Room No. 243, Udyog Bhavan, New Delhi – 1100 11.

As per Rule 6(5) of Rule supra, the Designated Authority is providing opportunity to the industrial users of the article under investigation also, and to representative consumer organizations who can furnish information which is relevant to the investigation regarding dumping, injury and causality. Any other interested party may also make its submissions relevant to the investigation within the time limit set out below.

## **12. TIME LIMIT**

Any information relating to the present investigation should be sent in writing so as to reach the Authority at the address mentioned above not later than forty days from the date of publication of this notification. The known exporters and importers, who are being addressed separately, are however required to submit the information within forty days from the date of the letter addressed to them separately. It may be noted that no request, whatsoever, shall be entertained for extension in the prescribed time limit.

### **13. 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/application 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.

**(CHRISTY L. FERNANDEZ)**  
Designated Authority.