

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

**NOTIFICATION**

New Delhi, the, 17th August 2004

**Initiation**

**Subject:** Initiation of antidumping investigation involving import of Acrylonitrile Butadiene Rubber (NBR) from the European Union (Excluding Germany), Mexico and Brazil

**F.NO. 14/32/DGAD/2003: WHEREAS** M/s Apar Industries Ltd. (herein after referred to as the Applicant) has filed an application before the Designated Authority (hereinafter referred to as this Authority), in accordance with the Customs Tariff Act, 1975 as amended in 1995 and Customs Tariff (Identification, Assessment and Collection of Anti Dumping Duty on Dumped Articles and for Determination of Injury) Rules, 1995 (herein after referred as Rules), alleging dumping of Acrylonitrile Butadiene Rubber or NBR (herein after referred to as subject goods), originating in or exported from the European Union (excluding Germany), Brazil and Mexico (herein after referred to as subject countries/territories) and requested for initiation of Anti Dumping investigations for levy of anti dumping duties on the subject goods.

AND WHEREAS, this Authority finds that sufficient prima facie evidence of dumping of the subject goods from the subject countries/territories, injury to the domestic industry and causal links between the dumping and injury exist, this Authority hereby initiates an investigation into the alleged dumping, and consequent injury to the domestic industry in terms of the Rules 5 of the said Rules, to determine the existence, degree and effect of any alleged dumping and to recommend the amount of antidumping duty, which if levied would be adequate to remove the injury to the domestic industry.

**Product under consideration**

The product under consideration in the present petition is Acrylonitrile Butadiene Rubber. Acrylonitrile Butadiene Rubber is a synthetic rubber and is popularly known as Nitrile Rubber or NBR in the market parlance. NBR is primarily used where oil

resistance, abrasion resistance and heat resistance applications are involved. NBR is widely used in Defense, Automobile, Footwear, Fabrics, Printers, Oil field products industries etc

NBR can be of various grades and can be supplied in various forms. In terms of form, NBR can be categorized as Normal NBR, (in Bale form); Powder NBR, (in powder form); Carboxylated NBR (i.e. with a third monomer). Normal NBR is the most common form of NBR and is widely used. Depending upon acrylonitrile content and mooney viscosity, Normal NBR may be further divided into three types i.e. Low Nitrile, Medium Nitrile, High Nitrile NBR.

This investigation covers all grades of NBR in bale form only. Other forms of NBR exported from the subject countries are therefore, not covered under the product under consideration.

Acrylonitrile butadiene rubber (NBR) is classified in the category of rubber and articles thereof under chapter 40 of the Customs Tariff Act, and ITC HS Classification under the category of synthetic rubber under sub-heading no. 40.02 at four-digit level and under no. 4002.59 at six-digit level. Though the above is the dedicated head for NBR because of various types and grades involved the applicant has alleged that it is possible that imports have been reported under other custom heads, as importers sometime describe NBR merely as synthetic rubber. Therefore, Customs and ITC HS classifications are indicative only and are in no way binding on the scope of the present investigation.

## **Domestic industry and Standing**

The application has been filed by M/s Apar Industries Ltd., Mumbai. The applicant is the sole producer of subject goods in India. The petitioner, therefore, accounts for complete production of subject goods in India and constitute domestic industry within the meaning of the Indian Antidumping Rules

## **Like article**

It is noted that various grades of NBR are produced from the same general raw materials, employs the same basic production technology and follow through the same production process. Various types of NBR are employed for the same general purpose, i.e., to provide resistance to petroleum chemicals.

The applicant has also stated that they produce equivalent/comparable of all the grades being imported at present from the subject countries. The Indian industry has

capacity and capability to produce equivalents of all those grades, which are being produced by the producers in the subject countries, even if some of them are not being exported to India at present.

It therefore, appears that there is no difference in the products produced by the domestic industry and imported from subject Countries/territories. The products are being directly imported by the user industries and also by traders for supply to other industries. The consumers are using the domestic and corresponding import products interchangeably. The products produced by the domestic industry and imported from subject Countries/territories being identical in all essential characteristics are treated as like articles within the meaning of the term as per the Rules.

## **Normal value**

The ex-works normal value of the subject good in the subject countries have been estimated on the basis of the data available on selling prices, as well as cost of production of the goods in the subject countries, after allowing admissible adjustments to arrive at ex-works prices.

## **Export price**

The export price of the product under consideration from the subject countries/territories has been estimated on the basis of data collected from DGCI&S and other secondary sources. Adjustments on account of ocean freight, marine insurance, commission, inland transportation in the Countries/territories of export, port handling and port charges have been made to arrive at the Export Price at ex-factory level.

## **Dumping margin**

There is evidence that Normal Values of the subject goods in the subject countries/territories are significantly higher than the net export prices indicating prima-facie that the subject goods are being dumped in the Indian market by exporters from the subject countries/territories.

## **Injury and causal link**

The applicant has furnished information on various parameters relating to injury on account of the product under consideration. Parameters, such as increase in volume of imports both in absolute terms and in relation to the demand of the products, loss in market share, price under-cutting, price under-selling, Price depression, low return on

investments, profitability and cash loss in the manufacturing of subject goods, prima-facie indicate, collectively and cumulatively, that the Domestic Industry has suffered material injury on account of dumping.

## **Procedure**

Countries/territories involved: The countries/territories involved in the present investigation are the European Union (Except Germany), Mexico and Brazil.

Period of investigation (POI): The period of investigation (POI) for the purpose of present investigation is 1.4.2003 to 31.3.2004. The injury investigation period will however, cover the period 2000-01 to 2002-03 and the POI.

**Submission of information :** The exporters in the subject Countries/territories, their governments through their embassies/ representatives in India, the importers and users in India known to be concerned and the domestic industry are requested 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  
Department of Commerce  
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.

## **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 (40) 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 **(40) forty days** from the date of the letter addressed to them.

## **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. 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.

**(Abhijit Sengupta)**  
Designated Authority