

Government of India
Ministry of Commerce & Industry
(Department of Commerce)

New Delhi, the 22 August 2003

INITIATION NOTIFICATION

Subject: Initiation of Anti-dumping Investigations concerning import of Propylene Glycol originating in or exported from USA, Singapore, Korea RP and European Union.

No.14/8/2003-DGAD M/s. Manali Petrochemicals Limited, Chennai, 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 Propylene Glycol originating in or exported from USA, Singapore, Korea RP and European Union and have requested for initiation of anti-dumping investigations and levy of anti-dumping duties.

1. PRODUCT UNDER CONSIDERATION

The product under investigation in the present case is Propylene Glycol – All grades. It is manufactured from Propylene Oxide by hydrating the product at a higher pressure and temperature which form a mixture of Mono, Di and Tri-Propylene Glycol. Mono-Propylene Glycol (MPG), generally known Propylene glycol is the principal product. The Propylene Glycol is used for industrial applications like manufacture of polyester resin, industrial anti-freezing applications and in pharmaceutical industries. This product is classified under Customs Tariffs Code 29053200. 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 investigations.

2. DOMESTIC INDUSTRY STANDING

The petition has been filed by M/s Manali Petrochemicals Limited, Chennai. The petitioner is the sole producer of the subject goods in India and hence has standing to file the petition in terms of Rules 5(3) a of the Rules supra read with Rule 2(b).

3. COUNTRIES INVOLVED

The countries/territory involved in the present investigation are USA, Singapore, Korea RP and European Union. (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 country within the meaning of the Rules, supra.

5. NORMAL VALUE

The petitioner has claimed normal value of subject goods in the subject countries/territory on the basis of cost of production in the countries of origin. The estimated normal value has been arrived at on the basis of international price of raw materials and other elements of the cost has been estimated on the basis of data available with the petitioner. The Authority has prima facie accepted the normal value of the subject goods in the USA, Korea RP, Singapore and European Union on the basis of constructed cost of production after addition of selling, general and administrative expenses along with reasonable profit as per data made available by petitioner.

6. EXPORT PRICE

The Petitioner has determined the export price from the subject countries based on the transaction wise information, which is culled from the secondary data sources, i.e. M/s International Publishing House, Mumbai whose data is based on the Customs Daily List. Adjustments have been made on account of ocean freight, marine insurance, inland transportation in the country of exports, port handling and port charges to arrive at the Export Price at ex-factory level.

7. DUMPING MARGIN

There is, prima facie, submitted evidence that 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. Parameters such as increase in volume of imports from subject countries, decline in the import prices, rise in the share of the subject countries in relation to total demand, decline in the markets share of the petitioner, reduction in the domestic sales, low return on investment, decline in the profitability, negative cash flow, price undercutting and price 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.

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 country.

10. PERIOD OF INVESTIGATION

The Period of Investigation for the purpose of the present investigation 1st April 2002 to 31st march 2003.

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, Udyog Bhavan, New Delhi – 11 00 11.

As per Rule 6(5) of Rule supra, the Designated Authority is also providing opportunity to the industrial users of the article under investigation, 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 submitted by other interested parties. In case where an interest 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.

(L.V. SAPTHARISHI)
ADDITIONAL SECRETARY & DESIGNATED AUTHORITY