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

**Dated the 3rd
November, 2008**

INITIATION NOTIFICATION

Subject: Initiation of Anti-Dumping investigations concerning imports of Penicillin-G originating in or exported from China PR.

No.14/10/2008-DGAD, M/s Alembic Ltd., Baroda has filed an application before the Designated Authority (herein after referred to as the 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 to as Rules) for initiation of anti dumping investigation concerning alleged dumping of Penicillin-G (hereinafter referred to as subject goods) originating in or exported from China PR (hereinafter referred to as subject country).

AND WHEREAS, the Authority finds that sufficient *prima facie* evidence of dumping of subject goods by the subject country, injury to the domestic industry and causal links between the dumping and injury exist, the 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 alleged dumping and to recommend the amount of antidumping duty, which if levied would be adequate to remove the injury to the domestic industry.

Domestic Industry

2. Application has been filed by M/s Alembic Ltd., Alembic Road, Vadodra on behalf of the domestic industry and they claimed that there were three more producers of Penicillin-G in India. M/s J.K. Pharma and M/s Torrent Biotech Ltd have suspended production. The fourth company M/s Southern Petro-Chemical Industry Corporation, is in production who is major producer and supports this application. As per the evidence available before the Authority, applicant has the standing to file the case for

anti dumping investigation on behalf of domestic industry as per Rule 2(b) and Rule 5(3)(a) of Anti Dumping Rules.

Product under consideration

3. The product under consideration is Penicillin-G which is being dumped in the Indian market by the exporters from China PR. Penicillin-G is an organic compound. It is an amorphous white powder, sparingly soluble in water and soluble in methanol, ethanol, ether ethyl acetate, chloroforms, acetone and benzene. Penicillin is not a single compound but a group of closely related compounds, all with the same basic ring-like structure (a beta-lactam) derived from two amino acids (valine and cysteine) via a tripeptide intermediate. Penicillin is a β -lactam antibiotic used in the treatment of bacterial infection caused by susceptible, usually Gram-positive, organisms. The name “penicillin” can either refer to several variants of penicillin available, or to the group of antibiotics derived from the penicillin. The subject goods are classified under Chapter 29 of the Customs Tariff Act, 1975 within Customs subheading 29.41.10 and Indian Trade Classification based on Harmonized Commodity Description and Coding System, it is under sub heading 29411010. The Custom classification is indicative only and not binding on the scope of investigation.

Like Articles

5. The applicant has claimed that the goods produced by them are “like articles” to the goods originating in or exported from the subject country. Penicillin-G produced by the domestic industry and imported from China PR are having no known difference and are having comparable characteristics in terms of parameters such as physical and chemical characteristics, manufacturing process and technology, functions and uses, product specifications, pricing, distribution and marketing of the goods. Therefore, for the purpose of investigation the Penicillin-G produced by the applicant is being treated as like articles of Penicillin-G imported from subject country within the meaning of the Anti Dumping Rules.

Countries involved

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

Normal value

7. The applicant have proposed that China being a Non Market Economy the normal value is to be determined in terms of Para 7 of Annex-I of Anti Dumping Rules. The applicants have stated that they have not been able to procure the prices in the Market Economy, Third Country price, from such third country to others.

Accordingly, the applicants have proposed that Normal Value in respect of China may be determined on the basis of prices in India after deducting the Customs duty applicable for POI.

Export Price

8. The export price has been claimed on the basis of import data provided by IBIS (International Business Information System) and DGCI&S (Director General Commercial Intelligence and Statistics), Kolkata. Price adjustments have been claimed on account of Ocean freight, marine insurance, inland transportation in the country of exports, port handling and port charges etc. to arrive at the net export price. There is sufficient evidence of export price and the adjustments claimed by the applicant for the subject goods from the subject country.

Dumping margin

9. There is sufficient evidences that the normal value of the subject goods in subject country is significantly higher than their net export price prima-facie indicating that the subject goods are being dumped by the exporters from the subject country.

Injury and Causal Link

10. The applicant has furnished evidence regarding the injury having taken place as a result of the alleged dumping in the form of fall in their market share because of increased volume of dumped imports, price undercutting, lost sales and decline in profitability and return on capital employed for the domestic industry. There is sufficient prima-facie evidence of the material injury being suffered by the applicant caused by dumped imports from subject country.

Period of investigation

11. The period of investigation for the purpose of present investigation is 1st April 2007 to 31st March 2008. The injury investigation period will however cover the periods 2004-05, 2005- 06, 2006- 07 and the Period of Investigation (POI).

Submission of information

12. The exporters in the subject country and their Government through their Embassy in India, importers and users in India known to be concerned and the domestic industry are being informed separately to enable them to file all information relevant in the form and manner prescribed. Any other party interested to participate in the present investigation may write to:

**The Designated Authority,
Directorate General of Anti-Dumping & Allied Duties,
Ministry of Commerce & Industry,
Department of Commerce
Room No.240, Udyog Bhavan,
New Delhi-110107.**

Time limit

13. Any information relating to this investigation should be sent in writing so as to reach the Authority at the above address not later than 40 days from the date of publication of this notification. If no information is received within the prescribed time limit or the information received is incomplete, the Authority may record their findings on the basis of the facts available on record in accordance with the Rules supra.

Submission of Information on Non-Confidential basis

14. In terms of Rule 7, the interested parties are required to submit non-confidential summary of any confidential information provided to the Authority and if in the opinion of the party providing such information, such information is not susceptible to summarization, a statement of reason thereof, is required to be provided.

INSPECTION OF PUBLIC FILE

15. In terms of rule 6(7) any interested party may inspect the public file containing non-confidential versions of the evidence submitted by other interested parties.

16. 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 Governments as deemed fit.

**(R. Gopalan)
Designated Authority**

