

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

Dated the 17th November, 2008

Initiation Notification

Subject: Initiation of anti-dumping investigation concerning imports of Diethyl Thio Phosphoryl Chloride originating in or exported from China PR.

No. 14/18/2008- DGAD - Whereas M/s. Cheminova India Limited – Mumbai (herein after referred to as applicants) has filed an application before the Designated Authority (hereinafter referred to as the Authority), in accordance with the Customs Tariff Act, 1975 as amended in 1995 (herein after referred to as the Act) and Customs Tariff (Identification, Assessment and Collection of Anti Dumping Duty on Dumped Articles and for Determination of Injury) Rules, 1995 (hereinafter referred to as the Rules), alleging dumping of Diethyl Thio Phosphoryl Chloride (herein after referred to as subject goods), originating in or exported from the People’s Republic of China (herein after referred to as “subject country”) and requested for initiation of Anti Dumping investigations for levy of anti dumping duties on the subject goods.

AND WHEREAS, the Authority finds that sufficient prima facie evidence of dumping of the subject goods from the China PR, injury to the domestic industry and causal link 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 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.

1. PRODUCT UNDER CONSIDERATION

Product under consideration in the present petition is Diethyl Thio Phosphoryl Chloride.

Diethyl Thio Phosphoryl Chloride is a colourless or light yellow/amber organic liquid having disagreeable odor. It has density of 1.196 g/cm³. Diethyl Thio Phosphoryl Chloride is insoluble in water but is soluble in organic solvents. It is a highly toxic chemic which may irritate eyes and lungs. It is used as an intermediate for pesticide. It

is also known as O,O-Diethyl Phosphorichloridothioate or DETPC. Diethyl Thio Phosphoryl Chloride is having chemical formula C₄H₁₀ClO₂PS. Petitioner has claimed that Diethyl Thio Phosphoryl Chloride is known by various synonyms. Product scope includes product in all its synonyms.

2. DOMESTIC INDUSTRY STANDING

The application has been filed by M/s. Cheminova India Limited, Mumbai and supported by Excel Industries Limited, Mumbai. These producers are major producers of the product in India. Based on information on record, the Authority has determined that (a) production of the applicant constitutes a major proportion in Indian production; (b) domestic producers expressly supporting the application account for more than 50 per cent of total production of the like product produced by the domestic industry; and (c) the application has been made by or on behalf of the domestic industry.

The Authority, after examining the above, determines that the applicant constitutes domestic Industry within the meaning of the Rule 2 and the application satisfies the criteria of standing in terms of Rule 5 of the Rules supra.

3. COUNTRY INVOLVED

The country involved in the present investigation is People's Republic of China.

4. LIKE ARTICLE

The applicant has claimed that there are no known differences in subject goods produced by the petitioner and exported from China PR. Both products have comparable characteristics in terms of parameters such as physical & chemical characteristics, manufacturing process & technology, functions & uses, product specifications, pricing, distribution & marketing and tariff classification, etc. The goods produced by the domestic industry are comparable to the imported goods from China PR in terms of essential product properties. The goods offered by the domestic industry are like article to the goods imported from China PR.

5. NORMAL VALUE

The applicant claimed that China is a non market economy. Petitioner has also claimed that India, China and Denmark are the only known producers of the product under consideration in the World. Petitioner has determined normal value based on cost of product in India, including selling general & administration expenses and

profit. Authority hereby invites comments from all interested parties in accordance to para 7 of Annexure I.

6. EXPORT PRICE

Export price of the subject goods from the subject countries has been determined by considering transaction-wise import data collected from Secondary Sources. Adjustments have been made on account of ocean freight, marine insurance, commission, and port expenses in the exporting country to arrive at ex-factory export price.

7. DUMPING MARGIN

Normal value and export price have been compared at ex-factory level, which shows significant dumping margin in respect of the subject country. There is sufficient prima facie evidence that the normal value of the subject goods in China is significantly higher than the ex-factory export price, indicating, prima facie, that the subject goods are being dumped into the Indian market by exporters from China.

8. INJURY AND CAUSAL LINK

The applicant has furnished information on various parameters relating to material injury, analysis of which shows that imports have increased in absolute term as also in relation to production and consumption in India. Various economic parameters relating to the domestic industry shows that market share, profits, return on investment and cash flow declined over the injury period. Production, sales & capacity utilization declined upto 2006-07 and partly recovered in 2007-08. However, the level of production, sales & capacity utilization achieved in 2007-08 is lower than the levels achieved in 2004-05 and 2005-06. Analysis of various economic parameters shows, prima facie, that domestic industry has suffered material injury from dumped imports.

9. INITIATION OF ANTI DUMPING INVESTIGATIONS

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

10. PERIOD OF INVESTIGATION (POI)

The period of Investigation for the purpose of the present investigation is 2007-08 (12 months). The injury investigation period will, however, cover the period 2004-05, 2005-06, 2006-07 and the POI.

11. SUBMISSION OF INFORMATION

The exporters in the subject country, Government through the Embassy, importers in India known to be concerned with this investigation 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 Designated Authority at the following address:

The Designated Authority
Directorate General of Anti Dumping & Allied Duties,
Ministry of Commerce & Industry,
Department of Commerce,
Government of India,
Room No. 250A, Udyog Bhavan,
New Delhi – 110011.

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 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. SUBMISSION OF INFORMATION ON NON-CONFIDENTIAL BASIS

In terms of Rule 6(7) of the Rules, 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. 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 Designated Authority may record findings on the basis of facts available and make such recommendations to the Central Government as deemed fit.

14. INSPECTION OF PUBLIC FILE

In terms of Rule 6(7), the Designated Authority maintains a public file. Any interested party may inspect the public file containing non-confidential version of the evidence submitted by interested parties.

R. Gopalan
Designated Authority