

No.14/26/2009-DGAD  
Government of India  
Department of Commerce  
Ministry of Commerce & Industry  
(Directorate General of Anti-Dumping & Allied Duties)  
Udyog Bhawan, New Delhi

Dated the 10<sup>th</sup> February 2010

### **INITIATION NOTIFICATION**

**Subject: Initiation of Anti-Dumping Duty investigation concerning imports of Polypropylene originating in or exported from Korea RP, Taiwan and USA**

**No.14/26/2009-DGAD:** M/s Reliance Industries Ltd. has filed an application before the Designated Authority (hereinafter referred to as the Authority) in accordance with the Customs Tariff Act, 1975 as amended from time to time (hereinafter 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 as amended from time to time (hereinafter referred to as the AD Rules) for initiation of Anti-Dumping Duty investigation concerning imports of 'Polypropylene (i.e., homopolymers and co-polymers of Propylene)' (hereinafter also referred to as the subject goods) originating in or exported from Korea RP, Taiwan and USA (hereinafter referred to as the subject countries).

2. AND WHEREAS, the Authority finds that sufficient evidence of dumping of the subject goods originating in or exported from the subject countries, 'injury' to the domestic industry and causal link between the alleged dumping and 'injury' exist to justify initiation of an anti-dumping investigation; 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 AD 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.

### **Domestic Industry & 'Standing'**

3. The Application has been filed by M/s Reliance Industries Ltd. on behalf of the domestic industry. Apart from M/s Reliance Industries Ltd. there are two other producers, namely M/s Haldia Petrochemicals Ltd. and M/s Reliance Petroleum Ltd. of the subject goods in India, who have supported the application. As per the evidence available on record, the production of M/s Reliance Industries Ltd. accounts for a major proportion of the total domestic production of the like article and is more than

50% of Indian production of the like article. The application thus satisfies the requirements of Rule 2(b) and Rule 5(3) of the AD Rules.

Further, M/s Reliance Industries Ltd. is proposed to be treated as “domestic industry” within the meaning of Rule 2(b) of the AD Rules.

### **Product under consideration**

4. The product under consideration is ‘Polypropylene (i.e., homo-polymers and co-polymers of propylene)’. The subject goods are classified under Custom Headings 39021000 and 39023000. The Customs classification is indicative only and is in no way binding on the scope of the present investigation. The subject goods are used as woven sacks for cement, food-grains, sugar, fertilizer, bags for fruits & vegetables, TQ & BOPP films, containers etc.

### **Like Articles**

5. The applicant has claimed that the subject goods, which are being dumped into India, are identical to the goods produced by the domestic industry. There are no differences either in the technical specifications, quality, functions or end-uses of the dumped imports and the domestically produced subject goods and the product under consideration manufactured by the applicant. The two are technically and commercially substitutable and hence should be treated as ‘like article’ under the AD Rules.

Therefore, for the purpose of the present investigation, the subject goods produced by the applicant in India are being treated as ‘Like Article’ to the subject goods being imported from the subject countries.

### **Countries involved**

6. The countries involved in the present investigation are Korea RP, Taiwan and USA.

### **Normal Value**

7. The applicant has constructed the normal values in respect of subject countries stating that neither they were able to get any documentary evidence or reliable information with regard to domestic prices of the subject goods in the subject countries nor the same are available in the public domain. The Authority has *prima facie* considered the normal value of subject goods in subject countries on the basis of constructed values as made available by the applicants for the purpose of this initiation.

### **Export Price**

8. The applicant has claimed export prices on the basis of data obtained from Infodrive India Pvt. Ltd. Kolkata. Price adjustments have been allowed on account of Ocean freight, marine insurance, port handling and port charges etc. to arrive at the net export price. There is sufficient evidence of the export prices of the subject goods from the subject countries to justify initiation of an antidumping investigation.

### **Dumping Margin**

9. The applicant has provided sufficient evidence that the normal values of the subject goods in the subject countries are significantly higher than the net export prices, *prima-facie* indicating that the subject goods originating in or exported from the subject countries are being dumped, to justify initiation of an antidumping investigation.

### **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 increased volume of dumped imports, price underselling, price suppression and decline in profitability, return on capital employed and cash flow for the domestic industries. There is sufficient evidence of the ‘injury’ being suffered by the applicant caused by dumped imports from subject countries to justify initiation of an antidumping investigation.

### **Period of Investigation**

11. The period of investigation (POI) for the purpose of present investigation is **1st July 2008 to 30th June 2009 (12 months)**. The injury investigation period will however cover the periods April 2005-March 2006, April 2006-March 2007, April 2007-March 08, April 2008–March 2009 and the POI. For threat of material injury, the data beyond the POI would also be examined.

### **Submission of information**

12. The known exporters in the subject countries and their Governments through their Embassies/Economic and Cultural Centre 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 interested party may also make its submissions relevant to the investigation within the time-limit set out below and write to:

**The Designated Authority,  
Directorate General of Anti-Dumping & Allied Duties,  
Ministry of Commerce & Industry,  
Department of Commerce  
Room No.243, Udyog Bhawan,  
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 AD Rules.

**Submission of Information on Non-Confidential basis**

14. All interested parties shall provide a confidential and non-confidential summary in terms of Rule 7 (2) of the AD Rules for the confidential information provided as per Rule 7 (1) of the AD Rules. The non-confidential version or non-confidential summary of the confidential information should be in sufficient detail to provide a meaningful understanding of the information to the other interested parties. If in the opinion of the party providing information, such information is not susceptible to summary; a statement of reason thereof is required to be provided.

Notwithstanding anything contained in para above, if the Authority is satisfied that the request for confidentiality is not warranted or the supplier of the information is either unwilling to make the information public or to authorise its disclosure in a generalised or summary form, it may disregard such information.

**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.

**Non-cooperation**

16. In case any interested party refuses access to and 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.

**(P. K. Chaudhery)**  
**The Designated Authority**