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Government of India  
Ministry of Commerce & Industry  
Department Of Commerce  
(Directorate General of Anti-Dumping & Allied Duties)

Dated: the 8<sup>th</sup> June 2010

## NOTIFICATION

### Initiation Notification

Subject: Initiation of anti dumping investigations concerning imports of Para nitroaniline (PNA) originating in or exported from China PR.

No.14/13/2010-DGAD Whereas M/s. Abhilasha Texchem Pvt. Ltd., Mumbai and M/s. Amarjyot Chemicals Pvt Ltd., Mumbai, the domestic producers, have filed a Petition before the Designated Authority (hereinafter referred to as the Authority) in accordance with the Customs Tariff Act, 1975 as amended in 1995 and the Customs Tariff (Identification, Assessment and Collection of Anti-Dumping Duty on Dumped Articles and for Determination of Injury) Rules, 1995 (hereinafter referred to as AD Rules), alleging dumping of Paranitroaniline (hereinafter referred to as the subject goods), originating in or exported from the People's Republic of China (hereinafter referred to as the subject country) and have requested for initiation of anti-dumping investigations against the imports of the subject goods from the subject country and levy of anti-dumping duty on such dumped subject goods.

2. AND WHEREAS, the Authority finds that sufficient prima facie evidence of dumping of subject goods from the subject country, injury to the domestic industry and causal link between 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 Rule 5 of the said Rules to determine the existence, degree and effect of the alleged dumping and to recommend the amount of antidumping duty, which, if levied, would be adequate to remove the injury to the domestic industry.

#### **A. Product under consideration and Like Article:**

3. The product under consideration in the present investigation is Paranitroaniline (hereinafter referred as "subject goods"). It is an organic chemical compound. Paranitroaniline is also known as 4-nitroaniline, 1-amino-4-nitrobenzene, or p-nitrophenylamine. This chemical is commonly used as an intermediate in the synthesis

of dyes, antioxidants, pharmaceuticals and gasoline, in gum inhibitors, poultry medicines, and as a corrosion inhibitor.

4. The scope of the product is classified under Chapter 29 (Organic Chemical) of the Customs Tariff Act under Customs Sub-heading No. 2921.42.26. However, the customs classification is indicative only and is not being considered in any way binding on the scope of the present investigation.

5. The petitioners have claimed that there is no known difference in petitioners' product and subject goods exported from the subject country and are comparable in terms of characteristics such as physical & chemical characteristics, manufacturing process & technology, functions & uses, product specifications, pricing, distribution & marketing and tariff classification of the goods and there is no significant difference in the subject goods produced by the petitioners and those exported from the subject country and both are technically and commercially substitutable. For the purpose of the present investigations, the goods produced by the domestic industry are being treated as like article to the subject goods imported from the subject country in accordance with the AD Rules.

#### **B. Domestic Industry and Standing:**

6. The petition has been filed by M/s. Abhilasha Texchem Pvt. Ltd. and M/s. Amarjyot Chemicals Pvt Ltd. and supported by Panoli Intermediates (India) Pvt. Ltd., Premier Orgochem Industries Pvt. Limited and Saurabh Organics Pvt Limited. As per the evidence available on record, production of the petitioners, along with the supporters commands a major share of the total domestic production. Petition thus satisfies the requirements of Rule 2(b) of Anti Dumping Rules.

7. The Authority, after examining the above, determines that the petitioners constitute domestic Industry within the meaning of the Rule 2(b) read with Rule 2(d) of the Anti Dumping Rules and the petitioners satisfy the criteria of standing in terms of Rule 5 of the Rules supra.

#### **C. Countries involved:**

8. The country involved in the present investigation is the People's Republic of China (also referred to as China PR.).

#### **D. Normal Value:**

9. The petitioners have claimed that China PR should be treated as non-market economy and therefore the Normal Value should be determined in accordance with

Para 7 and 8 of Annexure-I of the AD Rules. The petitioners have proposed India to be considered as an appropriate surrogate country. The petitioners have claimed that the normal value cannot be determined on the basis of price or constructed value in a market economy third country and price from third countries to other countries or India could also not be determined as imports are practically from China PR. For the purpose of the initiation, the Authority has analyzed the export prices of the major raw material, Para Nitro Chloro benzene (PNCB) and considered normal value based on PNCB prices as per China customs and all other cost as per cost of production in India duly adjusted to include selling, general & administrative expenses and reasonable profit margin.

10. There is sufficient evidence with regard to Normal Value to justify initiation of Anti dumping Investigations in terms of the AD Rules. However, in accordance with Para 7 to Annexure-I of the Rules, interested parties are hereby invited to suggest an appropriate analogue country for determination of Normal Value in China PR within the specific time limit laid down in this notification.

#### **E. Export Price:**

11. The petitioners have claimed export price of the subject goods from the subject country as the weighted average import price in the Period of Investigation, based on transaction wise import data provided by the IBIS (International Business Information System). Adjustments have been claimed on account of ocean freight, marine insurance, inland transportation, port expenses, bank charges etc. in the country of exports to arrive at ex-factory export price.

12. There is sufficient evidence with regard to Export Price to justify initiation of anti dumping investigations in terms of the AD Rules.

#### **F. Dumping Margin:**

13. Normal value and export price have been compared at ex-factory level, which shows significant dumping margin in respect of subject country. There is sufficient prima facie evidence to justify investigations that the normal value of the subject goods is significantly higher than the ex-factory export price and that the subject goods are being dumped by exporter(s)/producer(s) from the subject country.

#### **G. Injury and Causal Link:**

14. The applicant has furnished information on various parameters relating to material injury. Analysis of the information shows that imports from subject country have increased in the period of investigation in absolute term as also in relation to

production and consumption in India. Various economic parameters like the loss in market share, Price undercutting , price suppression, significant decline in the profitability of the domestic industry, significant deterioration in return on investment and profitability, prima facie, indicate collectively that the domestic industry have suffered material injury on account of dumped imports of subject goods from China PR.

15. There is sufficient evidence with regard to injury to the domestic industry and the causal link, to justify initiation of anti-dumping investigations in terms of the AD Rules.

**H. Period of Investigation (POI):**

16. The Period of Investigation (POI) for the purpose of present investigation is 1st January, 2009 to 31st December, 2009. The injury investigation period will however, cover the periods 2006-07, 2007-08, 2008-09 and the Period of Investigation.

**I. Submission of information:**

17. The known producer(s)/exporter(s) of the subject country and their Government through their Embassy in India, the known importers and known users in India to be concerned and the domestic industry are being addressed separately to enable them to submit their relevant information in the form and manner prescribed and to make their views known to the:

**The Designated Authority,  
Ministry of Commerce & Industry,  
Department of Commerce,  
Directorate General of Anti-Dumping & Allied Duties, (DGAD),  
Room No. 240, Udyog Bhavan,  
New Delhi-110011**

18. 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.

**J. Time limit:**

19 Any information relating to the present investigation and any request for hearing should be sent in writing so as to reach the Authority at the above mentioned address not later than forty (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 Designated Authority may record its findings on the basis of the facts available on record in accordance with the AD Rules. With regard to selection of surrogate country for China PR as mentioned in para 10 of this notification, comments are hereby invited to suggest an appropriate analogue country for determination of Normal Value in China PR within 14 days from the date of notification.

**K. Submission of Information on non-confidential basis:**

20. In terms of Rule 7 of the AD Rules, the interested parties are required to submit non-confidential version of any confidential information provided to the Authority along with the reasons for claiming confidentiality. 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 such information, such information is not susceptible to summarization, a statement of reason thereof, is required to be provided.

**L. Inspection of public file:**

21. 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.

**M. Use of facts available:**

22. 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.

(P. K. Chaudhery)  
Designated Authority