

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

the16thJuly2003

INITIATION NOTIFICATION

Subject: Initiation of Anti-Dumping investigations concerning Imports of Chloroquine Phosphate from China PR.

No.14/3/2003-DGAD.A petition has jointly been filed by M/s. Ipca Laboratories Ltd., Mumbai and M/s. Manglam Drugs and Organics Ltd, Mumbai on behalf of the domestic industry, 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 before the Designated Authority (hereinafter referred to as the Authority) alleging dumping of Chloroquine Phosphate from China PR (hereinafter referred to as the subject country) and requested for Anti-Dumping investigations and levy of Anti-Dumping Duties.

1. Domestic Industry:- The petition has jointly been filed by M/s. Ipca Laboratories Ltd., Mumbai and M/s. Manglam Drugs and Organics Ltd ,Mumbai on behalf of the domestic industry . The petitioner company represents 95% of the production of the subject goods under consideration. As per the evidence available petitioners have the standing to file the case for anti dumping investigation on behalf of domestic industry as per rule 5 of Anti Dumping Rules.

2. Product under consideration: The product under consideration is known as Chloroquine Phosphate (Also referred to as subject goods hereinafter). It is an organic chemical and primarily used as drug for malaria. It is a white, (almost white crystalline powder), hygroscopic, freely soluble in water, and less soluble in alcohol, ether and methanol. It contains not less than 98.5% and not more than equivalent to 101% of nitrogen. The Chloroquine Phosphate intermediate 4:7 Dichloroquinoline is prepared by the reaction of Meta Chloro Aniline with Ethoxy Methylene Ester, further followed by Alkaline Hydrolysis and Chlorination. This is further condensed with Novalidiamine and Chloroquine obtained is treated with Phosphoric Acid to obtain Chloroquine Phosphate. It has been imported under Chapter 29 of Customs Tariff Act. Petitioners have supplied information regarding imports from DGCI&S Kolkata. This

product is being cleared under these sub-headings as 29392900, 29392100, 29420000, 29420001, 29419001, 29419000, 29392101 and 29399900 suggest description as Chloroquine Phosphate but correct Custom classification may be treated under 6 digit heading 293921 as Chloroquine Phosphate (Quinine and its salts). The classification is, however indicative only and is in no way binding on the scope of the present investigation. Petitioners have requested to initiate the anti dumping investigation against the product under consideration irrespective of the types/grades under which they are being imported.

3. Countries involved: The country involved in the present investigation is China PR.

4. Like articles: Chloroquine Phosphate produced by the domestic industry and imports from subject country are comparable in terms of characteristic such as physical and chemical characteristics, manufacturing process and technology, functions and uses, product specification, pricing, distribution and marketing, and tariff classification of the goods. The two are technically and commercially substitutable and used interchangeably. Therefore, for the purpose of investigation the Chloroquine Phosphate produced by the petitioner is being treated as **like product** of Chloroquine Phosphate (hereinafter referred to as subject goods) imported from subject country within the meaning of the Anti Dumping Rules.

5. Normal value: The Authority notes that the petitioner has claimed normal value of subject goods in China on the basis of constructed cost of production after addition for selling, general and administrative expenses treating China PR as non-market economy. The Authority proposes to examine the claim of the petition in the light Para 7 & 8 of Annexure-I of anti dumping rules as amended. Thus the authority has prima facie, considered the normal value of the subject goods in subject country on the basis of constructed cost of production as made available by the petitioner and the Authority for the purpose of initiation has considered it.

6. Export Price: The export price has been claimed on the basis of data provided by the petitioner from DGCI&S, 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, commissions etc to arrive at the net export price. There is sufficient evidence of export price and the adjustments claimed for the subject goods from the subject country, as made available by the petitioner and the authority for the purpose of initiation has considered it.

7. Dumping margin: There is sufficient evidence that the normal value of the subject goods in the subject country is significantly higher than the net export price indicating prima-facie that the exporters from the subject country are dumping the subject goods.

8. Injury and Causal Link : The petitioners have furnished evidence regarding the injury having taken place as a result of the alleged dumping in the form of fall in the production, capacity utilisation, market share in demand, export price, landed value because of the dumped priced imports, decline in net sales realisation resulting in significant increase in loss. The domestic industry is facing severe price undercutting, price suppression/depression due to fall in landed value of imports. There is sufficient prima-facie evidence of the material injury being suffered by the petitioner caused by dumped imports from subject country.

9. Initiation of Anti-Dumping investigation: The Authority in view of the foregoing paragraphs, initiates anti-dumping investigation 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 present investigation is *1st April 2002 to 31st March 2003*.

11. Submission of information: The exporters and importers known to be concerned and 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)

Government of India

Ministry of Commerce & Industry

Udyog Bhavan, New Delhi-110011.

12. Time limit: 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.

13. INSPECTION OF PUBLIC FILE: 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.

14. All interested parties shall provide a confidential summary in terms of Rule 7 (2), for the confidential information provided as per Rule 7 (1) of the Rules supra.

15. 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.

(L V SAPTHARISHI)
Designated Authority