

MINISTRY OF COMMERCE

INITIATION NOTIFICATION

New, Delhi, the 20th May, 1998

Subject: Initiation of anti-dumping investigation concerning import of Ethylene Propylene Diene Rubber (EPDM) from Japan.

No. 16/2/98-ADD:—M/s Herdilla Unimers Ltd. has filed a petition 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 Ethylene Propylene Diene Rubber (hereinafter referred to as EPDM) from Japan and request for anti-dumping investigations and levy of anti dumping duties.

1. **Standing:-** There is only producer of EPDM in India, who has filed the present petition. The petitioner accounts for a major proportion of the total domestic production in India and, therefore, satisfy the standing to file the present application on behalf of the domestic industry

2. **Product Involved:-** The product involved in the present investigation is Ethylene Propylene Diene Rubber. EPDM is a synthetic rubber and is used in a number of rubber based applications. EPDM is classified under custom sub-heading no. 4002.70 of the Customs Tariff Act. The classification is, however, indicative only and in no way binding on scope of the present investigation.

3. **Country(ies) involved:** The petitioner have alleged dumping by the exporters from Japan.

4. **Like Goods:** The petitioner have alleged that have produced by them have characteristics similar to the goods being imported from Japan and the two are being consumed interchangeably. EPDM produced by the domestic industry has, therefore, been treated as like articles to the EPDM imported from Japan.

5. **Dumping and Dumping Margin:**

- a. Normal Value: The petitioner have furnished evidence of price of EPDM prevailing in the domestic market in Japan, based on the prices reported by a leading magazine in Japan and prices reported by a company in Japan. There is sufficient prima facie evidence with regard to normal value of EPDM in Japan.

- b. Export Price: The petitioner has claimed the following export prices for the past three years, based on prices reported by Japan Tariff Association:

Year	Volume (kgs.)	Value ('000 Yen)	Rate Yen per kg.
1993	950284	147133	155
1994	1029062	136348	133
1995	1417440	185822	131
1996	1718975	265346	154

As per DGCIS, the average price for April, 1996 to March, 1997 was Rs. 67 per kg. during April to Dec, 1997. The petitioner has claimed price adjustment on account of ocean freight, inland freight in Japan, insurance, and packing expenses. There is sufficient prima facie evidence with regard to export price of EPDM in Japan.

There is sufficient prima facie evidence that the normal value of the product under consideration in Japan is significant higher than the price at which it has been exported to India, indicating, prima facie, that the subject goods are being dumped by the exporters from Japan.

6. **Injury**: The various economic indicators relating to domestic industry such as production, sales, market share, profit/loss etc. collectively and cumulatively, prima facie, indicate that the domestic industry has suffered material injury. There is sufficient prima facie evidence that the imports of the product under consideration have caused material injury to the domestic industry.

7. **Initiation of Anti-Dumping Investigation**: The Authority, therefore, initiates anti-dumping investigation into the existence, degree and effect to alleged dumping of the subject goods originating in or exported from the said country.

8. **Period of Investigation**: The period of investigation for the purpose of the present investigation is 1st April, 1996 to 30th Sept., 1997.

9. **Submission of Information**: The exporters in Japan and the importers in India known to be concerned are being addressed separately to submit information in the form and manner prescribed and to make their views known to the designated Authority, Ministry of Commerce, Anti-Dumping Division, Udyog Bhawan, New Delhi-110 011. 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.

10. **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 letter addressed to them separately.

11. **Inspection of Public File:** 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.

12. 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.

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Designated Authority