

**GOVERNMENT OF INDIA
MINISTRY OF COMMERCE & INDUSTRY
DEPARTMENT OF COMMERCE
(DIRECTORATE GENERAL OF ANTI-DUMPING &
ALLIED DUTIES)**

NOTIFICATION

New Delhi, the 28th April 2005

Initiation

Subject: Initiation of antidumping investigation involving import of Ethylene-Propylene-non-conjugated Diene Rubber (EPDM) from the European Union, USA, China PR and Brazil

1. Initiation

F.NO. 14/18/2004-DGAD: WHEREAS M/s Unimers India Ltd. (herein after referred to as the Applicant) has filed an application before the Designated Authority (hereinafter referred to as this Authority), in accordance with the Customs Tariff Act, 1975 as amended in 1995 and Customs Tariff (Identification, Assessment and Collection of Anti Dumping Duty on Dumped Articles and for Determination of Injury) Rules, 1995 (herein after referred as Rules), alleging dumping of Ethylene-Propylene-non-conjugated Diene Rubber (EPDM) (herein after referred to as subject good), originating in or exported from the European Union, USA, China PR and Brazil (herein after referred to as subject countries/territories) 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 subject countries/territories, injury to the domestic industry and causal links 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.

2. Product under consideration

The product under consideration in the present petition is Ethylene-Propylene-non-conjugated Diene Rubber (EPDM). EPDM is a synthetic Rubber and technical specifications of EPDM are broadly governed by Ethylene, Propylene and Diene content and Mooney Viscosity. With the variations in Ethylene, Propylene and Diene Content and /or Mooney Viscosity, different grades of EPDM Rubber can be produced. EPDM is classified under Chapter 40 of the Customs Tariff Act, 1975 under the category of synthetic rubber under sub-heading no. 40.02 at four-digit level and under no. 4002.70 at six-digit level. It has also been submitted that the goods have also been cleared under the heading 38249000, 39019000 and 40021900. However, these customs classifications are indicative only and are in no way binding on the scope of the investigation.

EPDM Rubber is primarily used in rubber profiles, automotive tyres and tubes, cables, hoses and moulded items used in the automobile parts. The changes in Ethylene, Propylene and Diene content and Mooney viscosity and other characteristics will merely modify the general property for which EPDM is consumed. EPDM Rubber can be of various grades and can be supplied in various forms. This investigation covers all grades of Ethylene-Propylene-non-conjugated Diene Rubber (EPDM) in all grades and all forms. Authority may adopt appropriate model-matching methodology for the purpose of normal value and dumping margin determination, if the interested parties provide grade-wise data with regard to the domestic sales and export sales of the subject goods.

3. Domestic industry and Standing

The application has been filed by M/s Unimers India Ltd., Mumbai. The applicant is the sole producer of subject goods in India. The petitioner, therefore, accounts for complete production of subject goods in India and constitute domestic industry within the meaning of the Rules

4. Like article

It is noted that EPDM is produced in various forms and grades depending upon Ethylene, Propylene and Diene content and Mooney Viscosity. Use of a particular grade of EPDM depends on the specific end use to which the goods are put to. EPDM being a specialized commodity, its usage, at the end of the customer, requires fine-tuning of the production process to accommodate the usage of EPDM made by different suppliers. However, the basic physical and chemical characteristics of EPDM produced by any manufacturer remain same irrespective of grade differentiation and the products can be used interchangeably without making any changes in the plant & equipment. It has been argued that various grades of EPDM are

produced from the same general raw materials, employs the basic production technology and follow through the same production process.

It therefore, appears that there is no difference in the products produced and sold by the domestic industry and imported from subject Countries/territories. The products are being directly imported by the user industries and also by traders for supply to other industries. The consumers are using the domestic and corresponding import products interchangeably. The products produced by the domestic industry and imported from subject Countries/territories being identical in all essential characteristics are treated as like article within the meaning of the term as per the Rules.

5. Normal value

The ex-works normal value of the subject goods in the subject countries, except China PR have been estimated on the basis of the information as reasonably available to the applicant domestic industry after allowing admissible adjustments to arrive at ex-works prices. Normal value in respect of China PR has been determined in terms of Annex I Para 7 and 8 of the Rules on the basis of Non-market economy presumption against that country.

6. Export price

The export price of individual products has been estimated on the basis of data collected from DGCI&S and other secondary sources. Adjustments on account of ocean freight, marine insurance, commission, inland transportation in the Countries/territories of export, port handling and port charges have been made to arrive at the Export Price at ex-factory level.

7. Dumping margin

There is sufficient evidence that Normal Values of the subject goods in the subject countries/territories are significantly higher than the net export prices indicating prima-facie that the subject goods are being dumped in the Indian market by exporters from the subject countries/territories.

8. Injury and causal link

Petitioners have furnished information on various parameters relating to injury on account of the product under consideration. Parameters, such as increase in volume of imports both in absolute terms and in relation to the demand of the products, loss in

market share, price under-selling, Price depression, profitability and cash loss in the manufacturing of subject goods, prima-facie indicate that the Domestic Industry has suffered material injury on account of dumping.

9. Procedure

- a. Countries/territories involved The Countries/territories involved in the present investigation are the European Union, USA, Brazil and Peoples Republic of China.
- b. Period of investigation (POI): The period of investigation (POI) for the purpose of present investigation is 1.10.2003 to 30.9.2004. The injury investigation period will however, cover the period 2000-01 to 2003-04 and the POI.
- c. Submission of information: The exporters in the subject Countries/territories, their governments through their embassies/ representatives in India, the importers and users in India known to be concerned and the domestic industry are requested to submit relevant information in the form and manner prescribed and to make their views known to the:

The Designated Authority

Directorate General of Anti-Dumping and Allied Duties
Ministry of Commerce and Industry
Government of India
Udyog Bhavan
New Delhi-110011.

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.

- d. **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 (40) 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 (40) forty days from the date of the letter addressed to them.
- e. 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 summary, 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 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.

- f. **Inspection of public file:** Any interested party may inspect the public file containing non-confidential version of the evidence submitted by other interested parties in terms of Rule 6 (7).

Christy L. Fernandez
Designated Authority