

No.17/1/2001- DGAD
Government of India
Ministry of Commerce

New-Delhi, the 19th August, 2002

INITIATION NOTIFICATION

Subject: Initiation of anti-dumping investigations concerning import of Methylene Chloride originating in or exported from European Union, South Africa and Singapore.

No. 17/1/2001-DGAD - M/s Gujarat Alkalies & Chemicals Ltd., Vadodara, has filed a petition before the Designated Authority (hereinafter referred to as the Authority) 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 alleging dumping of Methylene Chloride originating in or exported from European Union, South Africa and Singapore and has requested for initiation of anti-dumping investigations and levy of anti-dumping duties.

1. Product Involved: The product under investigation in the present case is Methylene Chloride. Methylene Chloride is a solvent belonging to the Chloromethane family of solvents. Methylene Chloride is a colorless, volatile liquid with a chloroform - like odour. The chemical formula of Methylene Chloride is CH₂Cl₂. There are two technologies/routes for the production of Methylene Chloride and the product produced through the two routes has similar technical specifications. Methylene Chloride is used in the photo films, bulk drugs and pharmaceutical industries. It is also consumed for manufacture of foam, resin casting, fumigants and agrochemical. It is mainly used as a paint stripper.

Methylene Chloride is classified under customs sub-heading 2903.12 of Chapter 29 of the Customs Tariff Act and 29031200 of the ITC (HS) Code. The classification is however indicative only and in no way binding on the scope of the present investigations.

2. Domestic Industry Standing: The petition has been filed by M/s Gujarat Alkalies & Chemicals Ltd., Vadodara. The petitioner has stated that the following companies are the producers of Methylene Chloride in India:-

- a. M/s Gujarat Alkalies & Chemicals Ltd., Vadodara

- b. M/s Chemplast Sanmar, Chennai
- c. M/s SRF Limited, Mumbai

M/s Chemplast Sanmar, Chennai has supported the petition. The petitioner and the supporter satisfy the standing to file the present petition.

3. Country(ies)/ Territory Involved: The countries/territory involved in the present investigations are the European Union, South Africa and Singapore (referred to as subject countries/territory hereinafter).

4. Like Goods: The petitioner has claimed that goods produced by it are like articles to the goods originating in or exported from European Union, South Africa and Singapore. Goods produced by the petitioner are being treated as Like Articles to the goods imported from the subject countries/territory within the meaning of the Rules.

5. Dumping and Dumping Margin:

Normal Value: The petitioner has claimed normal value in European Union on the basis of information contained in a leading journal, viz., Chlor Alkali and have supplemented their claims of normal value on the basis of estimates of cost of production in the subject territory. The petitioner has claimed that the published prices do not permit recovery of cost of production to the producers in the subject territory. For South Africa and Singapore, the petitioner has claimed normal value on the basis of constructed cost of production.

Export price: The petitioner has claimed export price based on the on the data published by Kandla Port and DGCIS.

Considering the normal value and export price the dumping margins are significantly higher than the de-minimis limit.

There is sufficient evidence that the normal values of the product under consideration in the European Union, South Africa and Singapore are significantly higher than the prices at which it has been exported to India, indicating, prima facie, that the subject goods are being dumped by the exporters from the European Union, South Africa and Singapore.

6. Injury and Causal Link: The various economic indicators relating to domestic industry such as production, sales, profit/loss etc. collectively and cumulatively, indicates that the domestic industry has suffered 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: In view of the foregoing paragraph, the Designated Authority initiates anti-dumping investigations to determine the existence, degree and effect of alleged dumping of the subject goods originating in or exported from the subject countries/territory.

8. Period of Investigation: The period of investigation for the purpose of the present investigations is 1st April, 2001 to 31st March, 2002 (12 months).

9. Submission of Information: The exporters in the subject countries/territory and the importers in India known to be concerned are being addressed separately to submit relevant information in the form and manner prescribed and to make their views known to the Designated Authority, Ministry of Commerce, Directorate of Anti-Dumping, 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.

10. Time Limit: Any information relating to the present investigations 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. Anti-dumping investigations being a time bound exercise, the Designated Authority may record its findings on the basis of facts available on record in accordance with the Rules supra, if no response is received within the time stipulated or the information is incomplete in any respect.

12. 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.

13. 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.

(L.V.SAPTHARISHI)
DESIGNATED AUTHORITY